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Livestock and Poultry

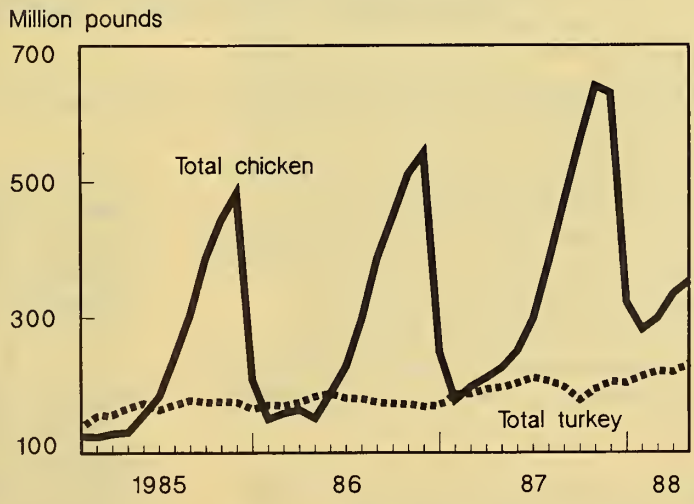
Situation and Outlook Report

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Cold Storage Stocks of Turkey and Chicken



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The present forecasts will be updated in the World Agricultural Supply and Demand Estimates scheduled for release on June 9 and July 7, 1988. *The Livestock and Poultry*

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SUMMARY

Returns to livestock and poultry producers in 1988 are expected to decline from a year earlier and possibly be negative at times due to record-large red meat and poultry supplies for the sixth straight year. Reduced beef supplies are being more than offset by increased volumes of pork and poultry. Feed costs are rising due to expanding exports, increased domestic use, and reduced production.

Broiler production is expected to increase 5 percent this year from 1987, with most of the increase coming during the first half. Wholesale prices in the first quarter were well below last year, but are expected to strengthen to 44–50 cents per pound during the summer, slightly below last year. Turkey output in the first quarter was up 25 percent from 1987, but reduced poult placements indicate a slowdown later this year. Slaughter for 1988 may be up 9 percent. Wholesale hen turkey prices are expected to recover somewhat from recent lows to 52–58 cents per pound in the third quarter.

Egg production during first-quarter 1988 rose 1.5 percent from a year earlier, but producers are adjusting to lower prices, as reflected in increased slaughter of older hens. Production through the rest of the year is expected to decrease slightly, with total 1988 output falling about 1 percent from 1987. Prices in the second quarter could average 50–54 cents per dozen and rise to the low 60-cent range during the second half, up slightly from 1987.

The March Hogs and Pigs report indicated producers continue to slowly increase their breeding herds. Commercial pork production was up 7 percent from a year ago during first-quarter 1988. Compared with 1987, production is projected to be 10 percent larger in the second quarter, 8 percent larger in the third, and about the same in the fourth. Returns to producers may fall to near breakeven before the third quarter ends, and negative returns are possible in the fall. Barrow and gilt prices are expected to average \$44–48 per cwt in the second quarter and \$44–50 in the third.

Cattle on feed on April 1 were up 6 percent from a year ago. Beef production likely will rise above a year earlier in the second quarter due to more fed cattle in the slaughter mix and heavier dressed weights. Larger fed cattle marketings and large supplies of other meats are expected to result in Choice steer prices averaging in the mid-to-upper \$60's in the second and third quarters. Returns above cash costs for cow-calf producers are expected to remain positive in 1988, but returns to Great Plains cattle feeders may turn negative during the late spring and summer.

Exports of most livestock and poultry products have increased sharply, partially reflecting the reduced value of the dollar against foreign currencies and the Export Enhancement Program for poultry. Exports will remain generally strong this year, although beef exports may decline modestly with the phaseout of shipments associated with the Dairy Termination Program.

Table 1--Livestock, poultry, and egg production and prices
(Percent changes are from a year earlier.)

Item	1986	1987					1988 1/				
	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual
Million pounds											
PRODUCTION:											
Beef	24,213	5,754	5,737	6,064	5,850	23,405	5,696	5,800	5,800	5,450	22,746
% change	+3	0	-8	-3	-1	-3	-1	+1	-4	-7	-3
Pork	13,998	3,540	3,327	3,384	4,061	14,312	3,787	3,675	3,650	4,025	15,137
% change	-5	-1	-7	+5	+12	+2	+7	+10	+8	-1	+6
Lamb & mutton	331	76	75	77	81	309	85	78	80	83	326
% change	-6	-16	-4	-5	-1	-7	+12	+4	+4	+2	+6
Veal	509	112	101	99	104	416	97	90	100	110	397
% change	+2	-13	-22	-23	-15	-18	-13	-11	+1	+6	-5
Total red meat	39,051	9,482	9,240	9,624	10,096	38,442	9,665	9,643	9,630	9,668	38,606
% change	0	-1	-8	-1	+4	-2	+2	+4	0	-4	0
Broilers 2/	14,266	3,735	3,907	3,966	3,895	15,502	4,000	4,175	4,150	3,950	16,275
% change	+5	+9	+6	+10	+9	+9	+7	+7	+5	+1	+5
Turkeys 2/	3,133	670	865	1,100	1,082	3,717	835	975	1,130	1,120	4,060
% change	+12	+20	+21	+17	+17	+19	+25	+13	+3	+4	+9
Total poultry 3/	17,929	4,538	4,927	5,195	5,112	19,772	4,988	5,310	5,410	5,200	20,907
% change	+6	+10	+9	+11	+11	+10	+10	+8	+4	+2	+6
Total red meat & poultry	56,980	14,020	14,167	14,819	15,208	58,214	14,653	14,953	15,040	14,868	59,513
% change	+2	+3	-3	+3	+6	+2	+5	+6	+1	-2	+2
Million dozen											
Eggs	5,705	1,440	1,438	1,439	1,479	5,797	1,463	1,420	1,415	1,465	5,763
% change	0	+1	+1	+2	+2	+2	+2	-1	-2	-1	-1
PRICES:											
Dollars per cwt											
Choice steers, Omaha, 1000- 1100 lb	57.75	60.46	68.60	65.04	64.31	64.60	68.28	68-72	63-69	64-70	64-70
Barrows & gilts, 7 mkts	51.19	48.11	56.18	58.97	43.51	51.69	44.74	44-48	44-50	40-46	42-48
Slaugh. lambs, Ch., San Ang.	70.26	80.27	90.82	72.90	68.36	78.08	81.51	78-82	69-75	68-74	73-79
Cents per pound											
Broilers, 12-city avg. 4/	56.9	50.0	48.2	48.7	42.5	47.4	45.4	46-50	44-50	40-46	43-49
Turkeys, NY 5/	72.2	58.0	56.4	56.2	60.6	57.8	48.9	46-50	52-58	54-60	49-55
Cents per dozen											
Eggs New York 6/	71.1	64.8	58.9	63.5	59.2	61.6	55.0	50-54	58-64	63-69	52-62

1/ Forecast. 2/ Federally inspected. 3/ Includes broilers, turkeys, and mature chickens. 4/ Wholesale weighted average. 5/ Wholesale, 8- to 16-pound young hens. 6/ Cartoned, consumer Grade A large, sales to volume buyers.

FACTORS AFFECTING LIVESTOCK AND POULTRY

Economic Conditions Favorable, But Future Cloudy

Current economic indicators suggest that the economy remains strong, and thus supportive for livestock and poultry demand. Industrial production, employment and income numbers are all at high levels. However, signs of increased inflation and interest rates are causing concern. Both the large Federal deficit and the large international trade deficit also cloud the economic future. The Gross National Product during the first quarter of 1988 was up 2.3 percent on an annual basis, consistent with projected growth of about 3 percent for all of 1988. Production costs for livestock and poultry are up slightly from a year ago. Consumer purchasing power for livestock and poultry products remains strong. Civilian unemployment for the quarter was 5.7 percent, the lowest since the second quarter of 1979. Real per capita disposable income was up 1.3 percent compared with first-quarter 1987.

Pork and Poultry Supplies Up, Beef Down

Larger supplies of red meat and poultry relative to a year ago are keeping pressure on product prices. Cash receipts from livestock and poultry marketings likely will be slightly below last year's \$86 billion. Increased returns to beef producers are being offset by lower returns to pork and poultry producers, due to lower producer prices and rising feed costs.

Record large supplies of red meat and poultry will continue to be available in 1988. First-half meat supplies are expected to increase 5 percent above a year earlier, and be up 2 percent for all of 1988. Per capita retail weight consumption of red meat and poultry is expected to be between 218 and 221 pounds, up from 1987's 215 pounds.

Poultry production is expected to increase 8 percent for the first half of 1988 and 6 percent for all of 1988, down from the large 10-percent increase in 1987. Pork production for first-half 1988 is expected to be 8 percent above 1987 while production for the year likely will increase 5-6 percent. Beef production is expected to be unchanged from

the first half and down 4 percent for the year. Lower producer prices and higher costs are expected to cause production adjustments throughout the livestock sector.

Feed Costs Increase

Expanding exports, higher domestic use, and reduced production could cause feed costs to increase slightly from year-earlier levels. Use of feed grains in 1987/88 is expected to be above 1986/87. Feed grain ending stocks of approximately 130 million metric tons may be down about 14 percent from 1986/87. Exports of U.S. feed grains are expected to increase in 1987/88 and corn prices are likely to range from \$1.65 to \$1.85 per bushel, up from the \$1.50 average of 1986/87. Expanding export demand and domestic use likely will push soybean meal prices to \$185-\$200 per ton in the 1987/88 crop year, up from \$163 a year earlier.

Prospective Plantings Indicate Lower Crop Acreage

The 1988/89 feed grain crop is likely to be down slightly from 1987/88, as indicated by producer planting intentions as of March 1. Prospective acreage for major crops is down 1 percent from a year earlier to about 200 million acres, reflecting the economic advantage of complying with the Acreage Reduction Program. There also have been more acres placed in the Conservation Reserve Program. Corn acreage intentions were up 2 percent. Intentions for other feed grains showed sorghum and oats down 9 percent and barley plantings down 7 percent. Soybean intentions were 1 percent above a year ago.

POULTRY AND EGGS

The poultry industry produced more meat and eggs in 1987 than 1986 and production continued to increase through first-quarter 1988. However, increased production brought lower meat and egg prices. Now most indicators show that production already has begun to slow or decrease. Net returns have been below breakeven for turkey producers since July 1987 (except during November and December) and since May 1987 (except during August and September) for egg producers. Broiler producers' net returns rebounded

during March and April but had been below or near breakeven since October 1987. Most longer-term production indicators, such as hatchery supply flock size and poult placements, indicate a slowing or reduction in production.

The total value of egg, other chicken, broiler, and turkey production in the 1987 marketing year was \$11.2 billion, 9.7 percent below a year earlier. Arkansas was the top value poultry producing State with output valued at \$1.47 billion. It was closely followed by Georgia and North Carolina, each with sales of \$1.1 billion. The value of other chicken was below a year ago, with sales at \$114 million for 218 million head sold.

Eggs

First Quarter Disappointing for Egg Producers

During first-quarter 1988, egg production totaled 1,463 million dozen, up 1.5 percent from a year earlier. Egg prices were more than 15 percent below the year-earlier quarter, in part because of disappointing pre-Easter market prices. Estimated net returns were -7.8 cents per dozen. Net returns have been negative in 10 of the past 12 months. Although this figure is an average and not necessarily representative of any particular operation, it indicates that the current market environment is difficult for the egg industry in general.

As of April 1, 1988, the laying flock was about 2.5 percent below a year earlier, and 1.8 percent below March. In comparison, between March and April 1987, the flock size was virtually unchanged. Price pressures are expected to force additional cutbacks in the laying flock, thus reducing future production.

Production Expected To Decline in 1988

Calendar year 1988 egg production is expected to decline about 0.5 percent, assuming a significant downsizing of the laying flock during the year. There is already some evidence of flock reductions in response to a sustained period of negative net returns to producers. The flock appears to be somewhat younger, based on earlier placements. As of April 1, 19.4 percent of the laying flock had

Table 2--Eggs and poultry: Value of production, 1980-87 1/

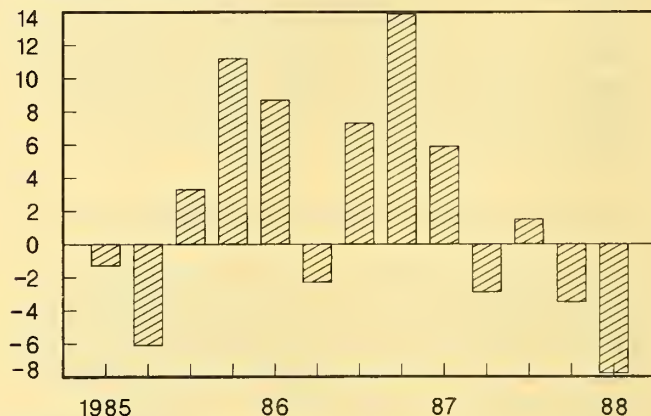
Year	Value of production			Value of	Total
	Eggs	Broilers	Turkeys	<u>sales</u> Nonbroiler	
1,000 dollars					
1980	3,268	4,303	1,272	128	8,971
1981	3,671	4,699	1,248	132	9,750
1982	3,459	4,502	1,255	119	9,335
1983	3,469	4,873	1,269	147	9,758
1984	4,111	6,018	1,655	170	11,954
1985	3,253	5,680	1,819	152	10,909
1986	3,510	6,780	1,952	128	12,369
1987 2/	3,177	6,176	1,701	114	11,168

1/ Data (except turkey) reported on December-November marketing year.

2/ Preliminary.

Net Returns to Egg Producers¹

Cents per dozen



1/ Estimated; first-quarter 1988 preliminary.

Table 3--Layers on farms and eggs produced, 1987-88 1/

Quar- ters	Number of layers		Eggs per layer		Eggs produced	
	1987	1988	1987	1988	1987	1988
- Millions -						
I	282	283	61.0	62.2	1,434.6	1,466.9
II	280		63.1		1,472.1	
III	277		62.1		1,432.7	
IV	283		61.6		1,451.7	
Annual	280		247.8		5,791.0	

1/ Marketing year beginning December 1.

completed a molt (compared with 19.6 percent last year), while 3.9 percent were being molted (2.8 percent last year). Light-type hen slaughter has been running at a relatively high

Table 4--Force moltings and light-type hen slaughter, 1986-88

Month	Force molted layers 1/						Light-type hens slaughtered under Federal inspection 2/ (Number of Head)		
	Being molted			Molt completed			1986	1987	1988
	1986	1987	1988	1986	1987	1988			
	- - - - Percent - - - -						- - - Thousands - - -		
January	3.6	4.2	3.8	25.2	20.9	20.9	13,890	13,004	13,587
February	4.8	4.6	5.0	23.5	19.1	20.4	12,221	13,196	13,993
March	4.2	3.8	3.8	24.4	20.1	20.6	14,201	13,451	14,466
April	2.8	2.8	3.9	24.0	19.6	19.4	14,761	14,752	
May	5.4	5.4		22.1	18.8		13,277	12,871	
June	4.4	6.4		22.8	18.5		14,875	13,933	
July	5.4	4.7		21.9	20.5		12,280	12,481	
August	3.9	4.9		21.4	21.0		11,682	12,518	
September	3.9	5.3		20.8	21.7		11,185	10,814	
October	4.7	4.9		20.2	21.3		12,450	12,055	
November	4.2	4.2		20.7	21.4		10,019	11,410	
December	2.5	3.4		22.0	22.4		12,975	15,957	

1/ Percent of hens and pullets of laying age in 15 selected States. 2/ Revisions include data from late reports or other corrections developed by the Food Safety and Inspection Service.

Table 5--Egg-type chick hatchery operations, 1986-1988

Month	Hatch			Eggs in incubators first of month, changes from previous year		
	1986	1987	1988	1986	1987	1988
	-- Thousands --			-- Percent --		
Jan.	34,538	34,156	29,472	13	5	-4
Feb.	34,826	35,815	28,468	25	4	-24
Mar.	38,523	41,708	34,743	11	5	-17
Apr.	42,359	42,356		5	-2	-17
May	42,465	40,858		8	1	
June	37,253	37,256		6	1	
July	33,575	33,375		10	-4	
Aug.	33,382	34,667		4	8	
Sept.	32,638	31,800		2	4	
Oct.	32,444	33,959		-4	9	
Nov.	27,456	30,593		-16	10	
Dec.	33,262	31,242		-3	-7	

rate since November, with nearly 12 percent more birds killed during this period than a year earlier.

Per Capita Consumption Expected To Decline in 1988

Per capita egg consumption changed little during 1987, but is expected to decline about 4 eggs in 1988. The annual drop is projected in spite of sharply lower prices during the first quarter, and even lower prices projected for the second quarter. The general downward

trend in egg consumption is well established, and has its roots in both demographic factors and health concerns with cholesterol. Also, there has been negative publicity linking eggs with salmonella enteritidis outbreaks in the northeastern United States over the past 2-1/2 years, the ultimate effects of which are still being assessed. The renewed salmonella concerns may have a temporary, and probably modest, impact on egg prices and consumption. The bulk of the impact may be found in a widening of the retail margin, as wholesale prices are pushed down while an attempt is made to maintain retail prices. This occurred in the broiler industry during the period of heightened salmonella concern in the spring of 1987.

A bright spot in the current egg market is found in international trade numbers. During January-February 1988, egg exports rose over 62 percent from a year earlier, as the Export Enhancement Program (EEP) continued to help U.S. producers sell abroad.

Prices May Recover During Second-Half 1988

Cutbacks in the laying flock during first-half 1988 will cause production to decline during the third and fourth quarters. The lower supplies are expected to cause prices to rise 8 to 10 cents from the second quarter to the third. Prices for grade A large eggs may average above 60 cents per dozen

Table 6--Eggs: Production and value, 1980-87 1/

Year	Average layers on hand during the year	Eggs			
		Produced		Price per dozen	Value of production
		Per layer on hand during year	Total		
	Thousands	Number	Millions	Cents	1,000 dollars
1980	287,705	242	69,686	56.3	3,267,563
1981	287,774	243	69,825	63.1	3,671,143
1982	286,369	244	69,718	59.5	3,458,873
1983	276,263	247	68,169	61.1	3,469,368
1984	278,022	245	68,230	72.3	4,110,920
1985	276,680	247	68,407	57.1	3,252,519
1986	276,260	247	68,398	61.6	3,510,273
1987	280,482	248	69,492	54.9	3,177,043

1/ Data cover both farm and commercial flocks Data reported on December-November marketing year.

2/ Preliminary.

Table 7--Egg prices and price spreads, 1986-88

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
Cents per dozen													
Farm price 1/													
1986	58.3	54.0	61.4	49.2	48.8	42.1	51.9	55.3	55.4	50.3	60.0	58.3	53.8
1987	51.5	50.0	46.0	46.5	40.1	41.2	41.8	40.9	51.3	41.4	46.9	38.8	44.7
1988	39.7	37.6	41.2										
New York (cartoned) 2/ Grade A, large													
1986	73.3	68.3	80.8	65.7	65.2	59.2	73.0	72.8	72.6	69.6	77.2	75.5	71.1
1987	67.1	65.2	62.0	62.4	55.6	58.7	59.1	63.2	68.3	60.2	60.5	56.9	61.6
1988	55.9	52.7	56.4										
4-region average, Grade A, large Retail price													
1986	90.1	86.6	88.7	89.0	82.0	79.5	83.3	91.3	86.8	85.5	89.7	91.0	87.0
1987	86.2	82.3	80.0	78.6	76.3	71.1	76.3	73.0	83.7	77.8	80.5	73.1	78.3
1988	76.0	71.8	74.0										
Price spreads													
Retail-to-consumer													
1986	14.9	17.2	10.0	21.9	16.8	20.5	12.1	18.8	14.3	15.4	11.7	14.4	15.7
1987	17.4	14.5	16.5	15.3	20.8	12.7	16.4	15.7	13.6	18.4	18.4	15.4	16.2
1988	20.9	18.2											
1982-84 = 100													
Consumer price index													
1986	101.5	97.4	99.6	98.5	90.7	87.1	91.4	100.7	97.1	97.2	102.2	103.7	97.3
1987	100.8	97.8	93.9	91.1	88.5	84.1	87.8	85.8	97.6	91.4	93.9	85.5	91.5
1988	90.1	85.5											

1/ Market (table) eggs including eggs sold retail by the producer; data not available prior to 1982.

2/ Price to volume buyers.

this summer. Although this price is at or below estimated breakeven, it would represent substantial improvement over the difficult first and second quarters of the year. Fourth-quarter prices are expected to show additional strength, averaging 63-69 cents per dozen, above the estimated cost of production.

The USDA's Agricultural Marketing Service is purchasing frozen whole eggs and dried egg mix for the school lunch and other domestic programs for the first time in nearly 30 years. These purchases are expected to provide modest support for egg prices.

Production, Disposition, and Value

The number of eggs produced during the 1986/87 marketing year (December/November), at 5.79 billion dozen, increased 1.6 percent from the previous year. The value of production, at \$3.18 billion, was 9.5 percent below the previous year, an indication that prices fell more than production increased.

California produced the most eggs in 1987 with 669 million dozen, which were valued at \$308 million. California was followed by Indiana with 479 million dozen valued at \$240 million; and Pennsylvania with 404 million dozen valued at \$174 million. Georgia egg production, at 373 million dozen, was fourth highest in the country, while the value of this production, at \$255 million, was the second highest in the country.

Table 8--Shell eggs broken and egg products produced under Federal inspection, 1987-88

Period	Shell eggs broken	Egg products produced 1/		
		Liquid 2/	Frozen	Dried
	Thou. doz.	Thou. lbs.	Thou. lbs.	Thou. lbs.
1987				
January	73,724	23,567	29,042	8,981
February	71,122	22,371	27,250	8,159
March	80,467	26,343	31,909	8,725
April	74,135	23,231	27,750	8,428
May	77,451	23,121	28,307	9,242
June	85,391	27,478	27,781	9,788
July	86,461	23,730	30,972	9,622
August	79,928	25,061	27,454	8,356
September	78,419	27,371	28,455	7,157
October	81,959	28,644	34,433	8,504
November	73,557	22,542	29,511	8,037
December	79,469	21,367	34,530	9,337
Jan.-Mar.	225,313	72,281	88,201	25,892
1988				
January	74,629	24,055	26,050	8,973
February	75,240	24,470	26,412	8,649
March	81,978	27,153	28,412	7,712
April				
May				
June				
July				
August				
September				
October				
November				
December				
Jan.-Mar.	231,847	75,678	80,874	25,334
Jan.-Mar. Pct. Chg.				
Yr-on-Yr	+2.9	+4.7	-8.3	-2.2

1/ Includes ingredients added. 2/ Liquid egg products produced for immediate consumption.

Table 9--Egg Supply and Utilization (Population includes Military) 1/

Year	Pro- duction	Beginning stocks	Breaking egg use	Imports 2/	Total supply	Exports	Ship- ments	Hatching egg use 3/	Ending stocks	Consumption Total	Per capita
<u>Total Eggs</u>					<u>Million dozen</u>						
1986											
I	1,420.6	10.7	---	3.6	1,434.9	26.0	7.5	139.2	8.7	1,253.6	62.5
II	1,417.8	8.7	---	4.0	1,430.5	22.4	5.8	145.1	11.9	1,245.4	62.0
III	1,410.5	11.9	---	2.2	1,424.6	29.0	7.5	141.4	11.5	1,235.2	61.3
IV	1,456.1	11.5	---	3.9	1,471.4	24.2	7.2	141.2	10.4	1,288.4	63.8
Year	5,704.9	10.7	---	13.7	5,729.3	101.6	28.0	566.8	10.4	5,022.5	249.5
1987											
I	1,440.4	10.4	---	2.6	1,453.4	23.6	7.3	147.6	11.9	1,263.0	62.4
II	1,438.4	11.9	---	1.2	1,451.6	23.7	4.8	153.7	13.8	1,255.6	61.9
III	1,438.5	13.8	---	1.0	1,453.3	21.5	6.1	147.8	13.5	1,264.3	62.2
IV	1,479.2	13.5	---	0.8	1,493.4	42.4	6.9	146.4	14.4	1,283.3	63.0
Year	5,796.5	10.4	---	5.6	5,812.5	111.2	25.1	595.5	14.4	5,066.2	249.4
1988 4/											
I	1,462.6	14.4	---					150.2	12.9		
II		12.9	---								
III											
IV											
<u>Shell Eggs</u>											
1986											
I	1,420.6	0.7	187.8	3.0	1,236.5	5.7	7.3	139.2	0.6	1,083.8	54.0
II	1,417.8	0.6	227.0	3.3	1,194.7	6.9	5.5	145.1	1.1	1,036.1	51.5
III	1,410.5	1.1	225.1	1.2	1,187.7	6.4	7.1	141.4	0.9	1,032.0	51.2
IV	1,456.1	0.9	217.6	3.4	1,242.7	6.9	6.9	141.2	0.7	1,087.0	53.8
Year	5,704.9	0.7	857.4	11.0	4,859.2	25.9	26.8	566.8	0.7	4,238.9	210.6
1987											
I	1,440.4	0.7	225.3	1.9	1,217.7	7.1	7.0	147.6	1.0	1,055.1	52.1
II	1,438.4	1.0	237.0	0.1	1,202.5	8.9	4.8	153.7	1.0	1,034.2	51.0
III	1,438.5	1.0	242.8	0.1	1,196.8	8.3	6.0	147.8	1.0	1,033.7	50.9
IV	1,479.2	1.0	235.0	0.1	1,245.3	24.3	5.9	146.4	1.3	1,067.4	52.4
Year	5,796.5	0.7	940.1	2.3	4,859.4	48.6	23.7	595.5	1.3	4,190.3	206.3
1988 4/											
I	1,462.6	1.3						150.2	2.0		
II		2.0									
III											
IV											

1/ Totals may not add due to rounding. 2/ Shell eggs and approximate shell-egg equivalent of egg products. 3/ Hatching for 1986-present calculated by the new method. 4/ Preliminary.
 --- Not applicable for total egg supply and utilization.

Broilers

Broiler Prices Same as Year Earlier Despite Higher Production

Broiler prices (12-city wholesale composite) have shown some strength during March and April, at 48-49 cents per pound, and are averaging nearly the same as a year earlier. During this period, production was likely 7 percent higher. Broiler prices may have been boosted by higher beef prices in recent months. Broiler prices may continue in the upper 40 cents through the summer if producers slow production as expected.

Broiler Production To Increase In 1988

Broiler production is expected to be about 5 percent higher in 1988 than 1987. Most of the increase will come during the first half, with the smallest increase in the fourth quarter. First-quarter production was 7 percent higher than a year earlier. The broiler chick hatch during February and March was 6 percent above a year earlier. Weekly broiler chick placements during April increased 3 percent from a year earlier. Liveweights of birds slaughtered increased more than 1 percent in 1987 from 1986 and showed a

Table 10--Broilers: Production and value, 1980-87 1/

Year	Produced		Price per pound	Value of sales
	Number	Pounds		
	-- Thousands --		Cents	1,000 dollars
1980	3,963,211	15,538,573	27.7	4,302,818
1981	4,147,521	16,519,568	28.4	4,699,379
1982	4,148,970	16,759,860	26.9	4,502,214
1983	4,183,660	17,037,998	28.6	4,872,707
1984	4,282,391	17,862,944	33.7	6,017,504
1985	4,478,749	18,850,790	30.1	5,680,188
1986	4,646,312	19,651,075	34.5	6,780,124
1987 2/	5,002,934	21,520,242	28.7	6,175,721

1/ Data reported on December-November marketing year. 2/ Preliminary.

similar increase during first-quarter 1988. Hatch, placements, and increased slaughter weights indicate second-quarter production will be about 7 percent higher than a year ago.

Hatching Egg Flock Decreasing

The size of the hatching egg flock has decreased in recent months due to a significant increase in the slaughter of spent heavy-type hens. The number slaughtered increased 12 percent during fourth-quarter 1987 and 18 percent during first-quarter 1988 from the previous year. The hatching-egg flock, containing predominantly broiler hatching-egg type hens, generally shows the egg laying capacity to produce broilers about 2.5 months from the time of the flock size estimate. On September 1, 1987, and January 1, 1988, the hatching-egg flock was nearly 6 percent greater than the same dates a year earlier. By April 1, the hatching-egg flock was 2 percent larger than a year earlier. Because the hatching-egg flock contains table egg-type hens, it can only be used as a rough estimate of broiler egg production during the next month. Consequently, third-quarter broiler production is expected to be about 5 percent greater than a year ago.

October Hatchery Supply Flock Same as a Year Ago

The estimated broiler hatchery supply flock is a much longer term indicator of production than the hatching-egg flock. The supply flock is estimated by summing broiler pullet placements 7-14 months earlier.

Table 11--Nonbroiler chickens: Production and value of sales, 1980-87 1/

Year	Sales		Price per pound	Value of sales
	Number	Pounds		
	1,000 head	Thousands	Cents	1,000 dollars
1980	238,495	1,167,017	11.0	128,268
1981	238,576	1,187,255	11.1	132,271
1982	242,027	1,158,703	10.3	118,915
1983	236,710	1,158,551	12.7	147,454
1984	224,664	1,067,729	15.9	169,732
1985	220,395	1,029,146	14.8	152,175
1986	216,338	1,019,446	12.5	127,572
1987 2/	218,212	1,037,512	11.0	113,828

1/ Data reported on December-November marketing year. 2/ Preliminary.

Therefore, summing placements between February 1987 and March 1988 gives an estimate of the broiler hatching-egg flock for October 1988. The estimated hatchery supply flock for August through October is about the same as a year ago, indicating intentions by broiler producers to continue reducing the rate of increase in broiler slaughter numbers.

Per Capita Consumption To Increase in 1988

The estimates of broiler production, adjusted for expected exports, shipments, and stock levels, show that per capita broiler consumption will continue to rise to about 62-63 pounds in 1988 from 60.1 pounds in 1987, a 4-percent increase. This is nearly 29 percent of total red meat and poultry consumption. The increased per capita supplies of chicken will slacken in the last half of the year, but increased supplies of turkey meat and pork will pressure prices through the rest of 1988. However, strong retail beef prices will be supportive of broiler prices.

Prices Move Up But Below a Year Ago

The 12-city wholesale composite broiler price during first-quarter 1988 was 45 cents per pound, substantially below the 50 cents recorded a year earlier. The quarterly average included a fairly strong 48 cents received during March 1988. Prices during the second quarter are expected to increase slightly from the first quarter and average 46-50 cents. This is similar to second-quarter 1987. Broiler prices are expected to average

Table 12--Broilers: Eggs set and chicks placed weekly in 12 commercial States, 1987-88 1/

Period 2/ Month and day 2/	Eggs set			Chicks placed		
	1987	1988	Percent of previous year	1987	1988	Percent of previous year
	- - - Thousands - - -		Percent	- - - Thousands - - -		Percent
January						
2	112,039	116,091	104	87,223	90,561	104
9	112,316	115,934	103	86,693	92,890	107
16	112,714	114,423	102	85,982	91,299	106
23	112,568	112,593	100	87,241	91,008	104
30	112,751	113,043	100	86,863	92,173	106
February						
6	111,601	116,587	104	86,790	90,937	105
13	111,696	117,406	105	87,378	88,801	102
20	114,994	118,448	103	87,558	87,987	100
27	116,326	119,719	103	87,117	91,987	106
March						
5	115,758	118,971	103	86,947	92,616	107
12	115,980	118,964	103	89,084	93,955	105
19	115,239	118,707	103	90,547	94,901	105
26	117,959	117,130	99	90,034	94,582	105
April						
2	118,697	119,577	101	90,643	94,251	104
9	119,414	117,897	99	89,105	95,041	107
16	118,184	118,965	101	91,486	92,700	101
23	117,771	118,370	101	93,251	94,684	102
30	117,283			93,049		

1/ 12 States: Ala., Ark., Calif., Del., Fla., Ga., Md., Miss., N.C., Pa., Tex., and Va.

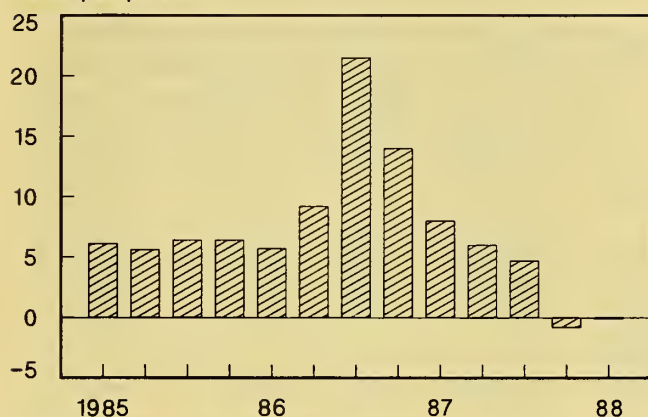
2/ Weeks in 1988 and corresponding weeks in 1987.

Table 13--Broiler chicks hatched and pullet chicks placed
in hatchery supply flocks, 1986-88

Month	Broiler-type chicks			Pullet chicks placed in broiler hatchery supply flocks					
				Monthly placements			Cumulative placements 7-14 months earlier		
	1986	1987	1988	1986	1987	1988	1986	1987	1988
	Thousands								
January	409,336	439,442	464,527	3,395	4,077	3,389	27,483	29,039	33,028
February	376,092	405,252	431,724	3,420	3,699	4,038	27,940	29,427	33,254
March	432,871	456,081	482,769	3,675	4,111	4,123	27,374	29,523	32,805
April	424,078	455,679		4,062	4,713		27,156	29,722	32,185
May	438,623	473,827		3,938	4,055		27,321	30,148	32,612
June	428,691	461,421		3,515	4,181		27,002	30,242	32,264
July	429,883	463,321		3,672	3,995		26,868	30,603	31,668
August	415,991	455,676		3,846	3,974		26,591	30,742	31,002
September	401,676	433,769		3,594	3,457		26,849	30,926	30,859
October	416,193	441,893		3,846	4,126		27,124	31,365	30,987
November	402,582	423,147		3,769	3,763		28,021	32,232	
December	437,287	469,720		4,423	4,117		28,706	32,693	

Net Returns to Broiler Producers¹

Cents per pound²



1/ Estimated; first-quarter 1988 preliminary. 2/ Ready-to-cook.

44-50 cents in the third quarter because of increased seasonal summer demand. Fourth-quarter prices are expected to fall to 40-46 cents per pound, similar to last year.

Net Returns To Be Squeezed in 1988

Broiler net returns during the rest of 1988 are not expected to widen from the 3 cents estimated for March and April. With corn and soy meal prices forecast to be above a year earlier during the second and third quarters, net returns will continue to be squeezed for much of the rest of the year. Net returns on average during first-quarter 1988 were a negative 0.1 cents per pound.

Cold Storage Stocks of All Chicken Increase

With increased production, total chicken stocks reached a record 231 million pounds on April 1, 17 percent above a year ago. Other chicken accounted for 77 percent of the total. The other chicken category includes any chicken stored that can't be identified as broiler or mature chicken. Because cutup broiler production outweighs cutup mature chicken and because most processing methods preclude freezing mature chicken parts, other chicken stocks are presumed to contain predominantly cutup broilers. Whole broilers accounted for 15 percent and hens for the remaining 7 percent of the total chicken stocks. The proportions were 84 percent for parts, 13 for whole broilers, and 3 percent for whole hens on April 1, 1987. The increase in the proportion of stocks of whole hens is

Table 14--Estimated costs and returns, 1987-88 1/

	Production costs		Wholesale		Net returns
Year	Feed	Total	Total costs 2/	Price 3/	
Market eggs (cts/doz)					
1987					
I	21.8	40.0	60.5	66.4	5.9
II	23.1	41.3	61.8	58.9	-2.9
III	23.9	42.1	62.6	64.1	1.5
IV	24.5	42.7	63.2	59.7	-3.5
Year 4/	23.3	41.5	62.0	62.3	0.2
1988					
I 5/	26.1	44.3	64.8	57.1	-7.8
II					
III					
IV					
Year					
Broilers (cts/lb)					
1987					
I	12.7	20.7	42.0	50.0	8.0
II	12.8	20.8	42.1	48.1	6.0
III	14.3	22.3	44.1	48.8	4.7
IV	13.7	21.7	43.4	42.5	-0.8
Year 4/	13.4	21.4	42.9	47.4	4.4
1988					
I 5/	15.4	23.4	45.6	45.5	-0.1
II					
III					
IV					
Year					
Turkeys (cts/lb)					
1987					
I	18.4	32.1	56.5	57.0	0.5
II	18.2	31.9	56.1	58.7	2.6
III	20.4	34.1	58.9	55.0	-4.0
IV	19.8	33.5	58.2	57.6	-0.8
Year 4/	19.4	33.1	57.6	57.0	-0.7
1988					
I 5/	21.9	35.6	60.8	49.2	-11.6
II					
III					
IV					
Year					

1/ Costs and prices are weighted by monthly production. 2/ Based on farm cost converted to wholesale market value. 3/ Wholesale prices used are the 12-metro area egg price, 12-city weighted average broiler price, and a weighted average of 8-16 lb. young hens and 14-22 lb. toms in Central, Western, and Eastern Regions. 4/ Weighted average. 5/ Preliminary.

probably due to the large slaughter of spent hens in both the broiler and egg industries as producers scaled back egg production capacity.

Production, Disposition, and Value

The number of broilers raised during the 1987 marketing year, at 5.00 billion birds, increased 8 percent from the previous year, a new record. The value of production, at \$6.18 billion, was 9 percent below the previous year, an indication that prices fell more than production increased.

Arkansas produced the most broilers in 1987 with 879 million birds valued at \$1,107 million. Arkansas was followed by Georgia with 733 million birds valued at \$836 million; and Alabama with 667 million valued at \$738 million.

Table 15--Federally inspected young chicken slaughter, 1987-88

Year	Number	Average weight	Live-weight	Certi-fied RTC
	Millions	Pounds	- Million Pounds -	
1987				
I	1,188	4.33	5,149	3,735
II	1,253	4.29	5,369	3,910
III	1,301	4.20	5,470	3,966
IV	1,229	4.35	5,349	3,891
Year	4,971	4.29	21,333	15,498
1988				
I	1,263	4.35	5,493	3,984
II				
III				
IV				
Year				

Table 16--Young chicken prices and price spreads, 1986-88

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
Cents per pound													
Farm price 1/													
1986	30.6	29.2	29.7	29.5	32.2	35.4	42.7	43.9	36.5	39.3	34.9	30.6	34.5
1987	31.1	30.1	29.1	29.6	30.0	27.6	28.1	31.6	28.5	25.2	26.4	24.6	28.5
1988	27.1	25.7	27.5										
Wholesale RTC													
12-city avg. 2/													
1986	51.7	49.0	50.3	50.0	54.6	58.3	69.1	69.7	61.0	61.6	57.5	50.0	56.9
1987	51.8	49.8	48.5	48.6	50.5	45.5	47.0	52.6	46.4	43.2	44.6	39.8	47.4
1988	43.9	44.4	48.1										
U.S. avg. retail price													
1986	76.6	77.1	76.7	75.2	76.9	79.5	88.9	95.8	91.0	90.0	87.8	86.5	83.5
1987	82.1	83.2	80.4	79.2	78.2	77.1	75.5	78.5	79.3	79.1	75.6	73.6	78.5
1988	74.0	74.5	75.3										
Price spreads													
Retail-to-cons.													
1986	19.5	21.8	21.0	19.2	16.3	15.5	16.4	20.0	21.6	20.5	22.6	30.0	20.4
1987	24.3	26.8	25.2	25.3	21.2	25.3	21.2	20.2	33.1	30.2	25.2	26.1	25.3
1988	24.1	24.4											
1982-84 = 100													
Retail pr. index													
Wh. chickens													
1986	105.0	105.6	106.0	103.9	106.1	109.8	121.9	132.3	125.5	124.9	123.0	121.0	115.4
1987	119.5	118.7	115.2	113.1	112.9	111.6	109.9	113.9	114.6	113.0	109.2	107.7	113.3
1988	107.9	109.5											

1/ Live weight. 2/ 12-city composite weighted average.

Turkeys

Turkey Production May Be Slowing

Although first-quarter production was likely 25 percent higher than a year earlier, poult placements for slaughter indicate second-quarter production will be 13 percent greater. Poult placements decreased 1 percent from a year earlier in the March estimate and total cumulative poult placements from September 1987 through March 1988 were 10 percent ahead of a year earlier. Eggs in incubators on April 1 were down 2 percent from a year earlier. Turkey production is estimated to be up 9 percent in 1988.

Turkey Cold Storage Stocks Up

Turkey stocks on April 1 were extremely heavy, at 353 million pounds on April 1 or 56 percent higher than a year earlier. Whole turkey stocks increased 48 percent while parts stocks increased 74 percent. Beginning fourth-quarter stocks are expected to be approximately 630 million pounds, 2 percent less than 1987's record levels as production slows. Turkey prices may not rise above breakeven because of the anticipated large turkey stocks as well as large total meat supplies being forecast for the fourth quarter and because of seasonal competition from pork.

Net Returns Negative

Except for November and December, net returns have been negative since third-quarter 1987. During first-quarter 1988, net returns were estimated at a negative 12 cents per pound. With expected increases in feed prices through the third quarter and with wholesale turkey prices rising to only 54-60 cents per pound in the fourth quarter, net returns probably will remain negative for most of the year.

First-Quarter Prices Flat

Wholesale turkey prices have remained flat during first-quarter 1988. After falling from 68 cents per pound in December, Eastern region hen turkey prices have remained near 47 cents since the last week in January. First-quarter prices, at 49 cents, did not show any Easter rise and were well below the first-quarter 1987 price of 58 cents.

Table 17--Turkeys: Production and value, 1980-87

Year	Number raised	Pounds produced	Price per pound	Value of sales
	- - Thousands - -		Cents	1,000 dollars
1980	165,243	3,076,858	41.3	1,271,637
1981	170,875	3,264,463	38.2	1,247,803
1982	165,464	3,175,060	39.5	1,254,700
1983	170,723	3,335,519	38.0	1,269,051
1984	171,296	3,385,721	48.9	1,655,256
1985	185,352	3,702,194	49.1	1,818,626
1986	207,216	4,141,697	47.1	1,951,516
1987 1/	240,349	4,888,216	34.8	1,701,137

1/ Preliminary.

Second-quarter prices are expected to average near 48 cents. Some strength is expected, as buying begins in the third quarter to fill holiday needs during the fourth quarter. Prices are likely to move up from the second quarter and average 52-58 cents. Prices during 1988 are expected to average 49-55 cents, substantially under the 58 cents received in 1987.

Per Capita Consumption Continues To Increase

Per capita consumption of turkey is expected to rise to 17 pounds in 1988, a 12-percent increase from 1987. The largest increases are expected to occur during the first three quarters, with rises of 20, 23, and 12 percent, respectively. Fourth-quarter per capita consumption is expected to increase less than 4 percent, to 6.2 pounds. This continues the pattern of higher percentage increases in the first three quarters of the year vis-a-vis the fourth quarter.

Production, Disposition, and Value

The number of turkeys produced in calendar year 1987, at 240 million birds, increased 16 percent from 1986. Value fell to \$1.70 billion, 13 percent below a year earlier. North Carolina continued to produce the most turkeys, at 48.4 million, 24 percent above a year earlier. Production in North Carolina was valued at \$312 million, 9 percent below a year earlier.

The second largest producing state was Minnesota, with 40.5 million birds valued at \$228 million, followed by California with 25.5 million birds valued at \$180 million.

Table 18--Commercial broilers and turkeys: Number produced or raised by States and regions, by years, 1985-87 1/

State and region	Commercial broilers produced 1/ 2/			Turkeys raised, all breeds 6/ 3/		
	1985	1986	1987	1985	1986	1987
	Thousands					
Maine	4/	4/	4/			
New Hampshire				28	26	26
Vermont						
Massachusetts				156	145	140
Rhode Island						
Connecticut				35	40	30
New York	1,750	2,000	2,100	314	343	437
New Jersey				88	100	115
Pennsylvania	94,696	101,907	115,635	7,100	7,800	8,000
North Atlantic	96,446	103,907	117,735	7,721	8,454	8,748
Ohio	9,000	9,900	11,000	2,800	3,100	3,400
Indiana	4/	4/	4/	6,941	9,370	13,000
Illinois				280	347	698
Michigan	1,300	600	675	2,300	2,700	3,000
Wisconsin	11,200	11,600	13,200	6,150	6,128	5,450
East North Central	21,500	22,100	24,875	18,471	21,645	25,548
Minnesota	26,900	29,700	31,700	30,400	34,200	40,500
Iowa	2,000	2,700	2,600	6,300	7,000	8,500
Missouri				12,500	13,500	15,500
North Dakota				900	1,000	1,200
South Dakota				1,723	1,968	2,376
Nebraska	885	832	1,074	918	1,437	1,942
Kansas				200	104	193
West North Central	29,785	33,232	35,374	52,941	59,209	70,211
Delaware	196,399	196,783	209,818	11	7/ 125	7/ 133
Maryland	272,429	263,885	264,196	129		
Virginia	154,096	154,156	154,036	13,066	14,307	16,200
West Virginia	25,689	29,010	32,770	2,400	2,220	2,400
North Carolina	447,300	450,500	477,700	31,850	39,100	48,350
South Carolina	60,367	63,801	68,051	2,850	3,900	3,950
Georgia	677,224	697,364	733,417	2,631	2,426	2,432
Florida	104,207	111,884	116,980			
South Atlantic	1,937,711	1,967,383	2,056,968	52,937	62,078	73,465
Kentucky	3,176	3,012	2,894			
Tennessee	4/	82,500	92,500			
Alabama	561,757	587,563	666,538			
Mississippi	328,732	335,704	343,395			
Arkansas	759,963	786,779	878,574	16,000	16,500	18,000
Louisiana	4/	4/	4/			
Oklahoma	61,730	79,500	90,600	4/	4/	4/
Texas	215,900	238,600	259,000	4/	4/	4/
South Central	1,931,258	2,113,658	2,333,501	16,000	16,500	18,000
Montana						
Idaho						
Wyoming						
Colorado				4/	4/	4/
New Mexico						
Arizona						
Utah				3,082	3,390	3,731
Nevada						
Washington	23,000	25,100	26,200			
Oregon	14,400	15,800	17,000	1,300	1,540	1,830
California	174,338	184,832	196,120	20,500	21,900	25,500
West	211,738	225,732	239,320	24,882	26,830	31,061
Alaska						
Hawaii	2,359	2,288	2,311			
Other States 4/	247,952	178,012	192,850	12,400	12,500	13,316
48 States	4,476,390	4,644,024	5,000,623	185,352	207,216	240,349
United States 5/	4,478,749	4,646,312	5,002,934	185,352	207,216	240,349

1/ Includes production of other meat-type breeds. 2/ December 1 through November 30 marketing year. 3/ Calendar year. 4/ Combined to avoid disclosing individual operations. 5/ Excludes States producing less than 500,000 birds and includes broilers destroyed due to the outbreak of avian influenza in 1983. 6/ Does not include young turkeys lost; based on turkeys hatched September 1 of previous year through August 31, of the current year. 7/ Maryland and Delaware combined.

Table 19--Turkey hatchery operations, 1985-88 1/

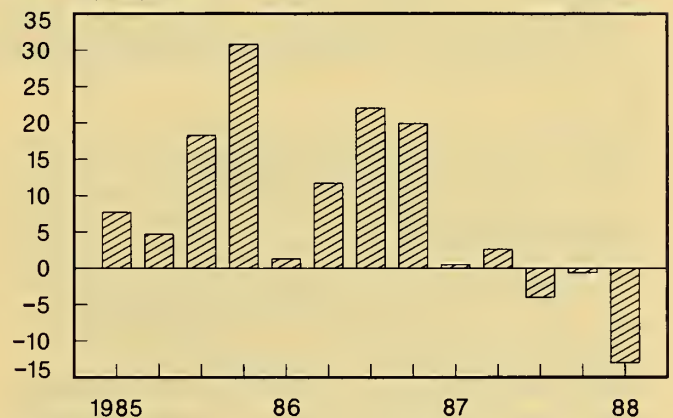
Month	Total turkey placed 2/			Eggs in incubators first of month, changes from previous year		
	1985-86	1986-87 3/	1987-88	1985-86	1986-87	1987-88
	- - Thousands - -			- - - Percent - - -		
Sept.	10,661	13,620	15,024	+20	+18	+16
Oct.	12,451	14,135	16,743	+8	+17	+18
Nov.	12,648	13,836	17,714	+13	+11	+21
Dec.	14,448	17,705	19,956	+17	+18	+15
Jan.	17,204	21,646	22,307	+8	+27	+9
Feb.	18,608	21,265	23,059	+13	+14	+8
Mar.	20,761	25,401	25,043	+8	+19	+3
Apr.	23,065	26,703		+10	+17	-2
May	24,337	26,623		+9	+16	
June	23,394	27,265		+10	+15	
July	22,310	25,999		+13	+19	
Aug.	16,405	19,889		+8	+22	

1/ Breakdown by breed not shown to avoid disclosing individual operations.

2/ Excludes exported poults. 3/ Includes revised calendar year 1987 numbers.

Table 20--Federally inspected turkey slaughter, 1987-88

Year	Number	Average weight	Live-weight	Certified RTC
	Millions	Pounds	- Million Pounds -	
1987				
I	40.9	20.67	846.7	670.1
II	55.5	19.70	1,093.2	866.8
III	69.9	19.88	1,389.4	1,099.0
IV	64.7	21.07	1,364.1	1,080.9
Year	231.0	20.33	4,691.1	3,714.9
1988				
I	50.2	21.0	1,052.5	835.4
II				
III				
IV				
Year				

Net Returns to Turkey Producers¹Cents per pound²

1/ Estimated; first-quarter 1988 preliminary. 2/ Ready-to-cook.

Table 21--Turkey prices and price spreads, 1986-88

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
Cents per pound													
Farm price 1/													
1986	35.6	36.3	36.9	38.1	40.9	45.9	49.3	50.9	51.4	53.0	51.5	43.0	44.4
1987	34.9	35.3	37.6	36.5	35.0	34.5	33.1	31.4	30.8	29.9	33.7	38.1	34.2
1988	31.8	29.0	28.2										
New York, hens 8-16 lbs 2/													
1986	60.3	61.7	63.9	64.6	67.1	73.8	77.9	80.5	81.2	83.2	80.7	71.1	72.2
1987	55.3	58.5	60.3	58.3	55.3	55.7	56.3	56.1	56.1	54.7	60.7	66.5	57.8
1988	52.8	47.1	47.0										
4-region average retail price													
1986	106.3	107.8	104.8	104.2	103.4	102.3	105.6	109.5	111.9	112.9	108.1	102.1	106.6
1987	103.6	103.2	103.0	100.4	102.8	105.1	105.8	105.1	103.3	102.6	90.0	89.3	101.2
1988	93.1	92.9	91.0										
Price spreads													
Retail-to-consumer													
1986	33.7	36.7	32.5	31.3	27.1	19.0	19.3	19.5	21.7	20.2	16.2	21.8	24.9
1987	39.8	37.4	35.4	33.4	37.3	40.1	41.1	41.8	39.0	38.3	22.0	13.5	34.9
1988	26.8	35.0											
1982-84 = 100													
Consumer pr. index 3/													
1986	111.6	112.5	111.1	109.7	110.5	109.8	110.9	111.7	114.5	117.1	113.9	112.3	112.1
1987	113.3	111.6	112.0	109.6	111.6	111.8	112.1	111.6	109.4	109.2	103.5	103.9	110.0
1988	107.7	107.2											

1/ Live weight. 2/ Wholesale, ready-to-cook. 3/ Other poultry CPI.

U.S. Poultry Trade

Broiler Exports Up

Exports during January-February 1988 were up 15 percent from the same period in 1987 and represented 4.2 percent of U.S. production compared with 3.8 percent during 1987. February 1988 broiler exports were 48.3 million pounds, up 14 percent from a year earlier.

Average export unit values, at just over 44 cents per pound in February, didn't change much from January, but were down 13 percent from February 1987. Sales value in February of \$21.4 million was down 1 percent from a year ago. Whole, young chicken exports in February were down 50 percent to 4.7 million pounds. Their average export unit value was down 9 percent to 53 cents per pound. For cutup chicken, mostly dark meat, the unit value was down 12 percent to 43 cents and export volume was up 32 percent over February 1987, to 43.65 million pounds.

Table 22--U.S. Broiler Exports to Major Importers, January-February, 1987-1988

Country or area	1987	1988
1000 lb		
Japan	20,834	26,377
Hong Kong	11,282	15,147
Singapore	9,497	10,133
Egypt	17,234	10,079
Iraq	0	7,693
Jamaica	7,222	7,659
Canada	6,819	5,518
Mexico	3,532	5,076
Netherlands Antilles	2,116	1,974
Spain	1,149	1,865
French Polynesia	0	1,686
Dominican Republic	1,011	1,493
St. Lucia	0	1,107
Antigua	0	940
Aruba	0	867
Bahamas	290	691
Montserrat	0	575
Bermuda	510	548
Trinidad	87	462
Taiwan	0	460
Saudi Arabia	938	428
Other	9,175	4,664
Grand Total	91,696	105,442

Exports to each of the leading importers except Egypt and Canada were up. In Egypt and Iraq, broiler imports are expected to be lower during 1988 as domestic supplies have increased and the Governments have been pressured to protect domestic prices. In Canada, stocks were very large at the beginning of 1988. Exports during January-February increased to the Caribbean countries, by 20 percent compared to last year, and totaled about 18 million pounds.

Broiler exports under the Export Enhancement Program (EEP) during January-February 1988, estimated at just below 20 million pounds, represented about 18 percent of the total. Egypt and Iraq remained the major EEP markets, but EEP sales were also part of U.S. broiler exports to the Dominican Republic, Spain's Canary Islands, the Persian Gulf countries of Bahrain, Kuwait, Oman, and the United Arab Emirates, as well as Singapore.

Exports to the major East Asian countries of Japan, Hong Kong, and Singapore continue strong, with a favorable outlook.

Taiwan, an increasingly important broiler market, took 460,000 pounds compared to none last year. But the Taiwan Government faces pressure from domestic producers to slash chicken meat imports because of falling domestic prices. It is reported that while imports of chicken parts and ground chicken meat will not be permitted, imports of whole chicken will be allowed.

Sales to EC countries were very small except for increases to Spain's Canary Islands and to the U.K. A number of U.S. plants have been approved to export to the U.K.

Sales to Mexico are running ahead of last year as demand is strong, but in mid-March the Government ordered that import permits for poultry meat be stopped, because it determined there was sufficient domestic supply. Mexico's trade policy on poultry meat changes often. In December, Mexico cut the import tariff on poultry meat from 10 percent to 5 percent. Imports from the United States increased and prices fell. Producers asked the Government to reduce imports. Larger producers froze their output in order to stabilize prices.

Table 23--U.S. Turkey Exports to Major Importers, January-February, 1987-1988

Country or area	1987	1988
	1000 lb	
Taiwan	5	2,113
Egypt†	344	2,048
Federal Rep. of Germany	488	1,426
Canada	1,442	649
French Polynesia	0	419
Japan	89	401
Hong Kong	63	327
Togo	151	264
Jamaica	78	257
Western Samoa	196	243
Mexico	142	227
Marshall Islands	145	161
South Africa	0	125
Haiti	199	124
Micronesia	53	103
Other	422	514
Grand Total	3,817	9,401

Mature chicken exports hit a high 3.3 million pounds in February, up 166 percent from a year earlier, and the highest February sales since 1981. Large increases to the Far East, particularly Japan, have accounted for about 60 percent of the sales to date.

Mature chicken exports may strengthen in 1988, with the announcement on April 18 of a new initiative under the EEP to sell 11 million pounds of frozen poultry to West African countries. Sales have not yet been made under an initiative of November 30, 1987, to sell 15.4 million pounds to Zaire.

Turkey Exports Continue at a High Rate

U.S. turkey exports continued strong in February, totaling 5 million pounds, up from 4.4 million pounds in January, and up 205 percent from 1.6 million in February 1987. U.S. wholesale prices of turkey, down to about 49 cents per pound during first-quarter 1988, the lowest price in years, plus the relatively low exchange value of the dollar, are contributing to the export gains.

Almost every importing country is taking more U.S. turkey this year. Whole and cutup turkey exports both rose 205 percent in February, with cutup turkey maintaining nearly 85 percent of all turkey exports. During January-February 1988, exports rose to

Table 24--U.S. Mature Chicken Exports to Major Importers, January-February, 1987-1988

Country or area	1987	1988
	1000 lb	
Japan	76	2,101
Singapore	0	441
Hong Kong	0	355
Egypt	0	307
Canada	1,104	296
Dominican Republic	0	282
Netherlands	71	200
Jamaica	0	167
Kuwait	0	105
Netherlands Antilles	139	89
Mexico	788	88
Micronesia	8	73
Taiwan	0	51
China	0	34
Other	202	158
Grand Total	2,388	4,747

1.9 percent of production, compared with 0.9 percent during the same period in 1987.

Imports by Taiwan exceeded 1.1 million pounds in February, slightly above the 1 million pounds taken by West Germany, last year's leading importer. But resistance has developed in Taiwan, and U.S. turkey imports have been temporarily banned.

Export unit values reversed themselves in February, rising from only 35 cents a pound in January to 42 cents, still much lower than the 54 cents of February 1987. Cutup turkey export prices fell 16 percent to 41 cents per pound, while whole turkey prices fell 63 percent to 49 cents. Average export unit values varied sharply by country—from about 30 cents per pound to Egypt and Taiwan, to 50 cents to West Germany and Japan, and 67 cents to Canada. The lower exchange value of the dollar in most countries made local prices even lower in early 1988 compared to early 1987.

Egg Exports Climb

Total egg exports were strong in February 1988, with 15.5 million dozen exported, double those of January 1988 and February 1987, and the highest February total since 1981. During January-February 1988, exports reached 2.4 percent of production, up from 1.5 percent a year earlier. Sales of egg products to Japan

Table 25--U.S. Egg Exports to Major Importers, January-February, 1987-1988 1/

Country or Area	1987	1988
	1000 dozens	
Japan	8,503	8,557
Iraq	0	4,790
Hong Kong	1,157	2,127
Canada	2,132	1,870
United Arab Emirates	0	1,103
South Korea	36	694
Mexico	150	677
Switzerland	173	451
Jamaica	219	400
Federal Rep. of Germany	175	280
Dominican Republic	323	262
United Kingdom	49	228
Trinidad-Tobago	316	193
Bermuda	17	161
Venezuela	32	130
Oman	0	121
Haiti	243	120
Suriname	110	109
Other	749	973
Grand Total	14,384	23,246

1/ Shell, and shell equivalent of egg products.

and South Korea were equivalent to nearly 6 million dozen and 0.6 million dozen, respectively. Iraq imported about 5 million dozen, mostly table eggs under the Export Enhancement Program (EEP), but also nearly 0.5 million dozen of hatching eggs under a U.S. export credit.

Canada was the top importer of hatching eggs, with 0.6 million dozen. The leading table egg importers: Iraq, Hong Kong, and the United Arab Emirates, all participants in the EEP, accounted for 94 percent of the 5.8 million dozen of U.S. table eggs exported in February. However, not all the eggs to these countries were exported under the EEP. For all of 1987 EEP accounted for about 60 percent U.S. table egg exports. In February 1988, the average export unit value for table eggs was down 24 percent from last year to 54 cents per dozen, as wholesale Grade A large egg prices in the United States dropped to 53 cents.

Targets for future EEP egg sales were raised to 15.1 million dozen in April. On April 15, a USDA announcement called for sales of an additional 5 million dozen table eggs to any of the Near East countries of Bahrain, Kuwait, Oman, Qatar, United Arab Emirates, or the Yemen Arab Republic. On April 22, a call was

announced for sales of an additional 8 million dozen to Iraq. Competition with the EC for egg markets continues. On March 21 the EC increased export refunds on table eggs by 6.7 percent, to 32 European Currency Units (ECU) per 100 kilograms. Based on European egg weights of 141 dozen eggs per 100 kgs and \$1.235 per ECU, this export subsidy is equivalent to 28 U.S. cents per dozen. Egg products are also subsidized by the EC, but rates were not increased in March. Given the dollar's decline of about 6 percent relative to the ECU from early April 1987 to April 1988, a subsidy of 32 ECU's last year would have been equivalent to about 26 cents per dozen.

Egg Imports at a Low Rate

Imports of all eggs remained low during January-February, at 622,000 dozen. Around 81 percent came from Canada, 94 percent of these in the form of egg products. Imports of egg products were, however, up 35 percent from last year during January-February, at 560,000 dozen equivalent, with 85 percent coming from Canada.

Shell egg imports in February of only 21,000 dozen were the lowest since February 1976. Nearly all were hatching eggs, with two-thirds coming from Canada.

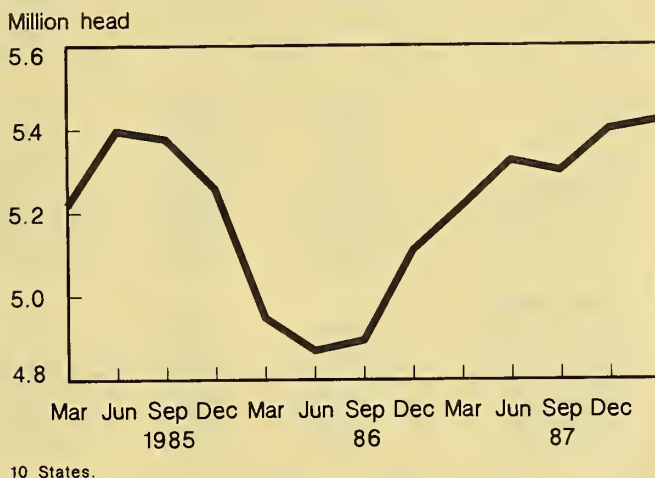
HOGS

Returns Remain Positive, Expansion Modest

Hog inventories continue to increase slowly, stimulated by 2 years of consistently favorable returns. Since June 1986, when the expansion began, the number of hogs kept for breeding in the 10 quarterly reporting States has risen 11 percent, to 5.42 million head as of March 1, 1988. The buildup has been slow by historical standards, possibly restrained by reduced availability of capital, a more concentrated industry structure, and a cautious attitude among pork producers.

Compared with a year earlier, the March 1 breeding herd was up 4 percent. The 10-State inventory of all hogs and pigs, at 40.5 million head, was 6 percent larger. Hogs intended for market totaled 35.1 million, also an increase of 6 percent.

Hogs and Pigs Kept for Breeding



The cautious attitude may have been heightened by a recent downturn in profitability, and appears to be reflected in producers' farrowing intentions. Barrow and gilt prices fell to the low \$40's per cwt last November, and except for a brief respite in February, have remained there ever since. As a result, feeding margins have been reduced. December-February farrowing intentions in the 10 States as of December 1 were 10 percent larger than a year earlier, but actual farrowings turned out to be only 6 percent larger. March-May intentions did not change between December and March, showing an increase of only 2 percent from a year ago. Intentions for June-August 1988 were also up 2 percent from 1987.

Current indications are that after a rise in late spring and early summer due to a seasonal upturn in hog prices, returns will decline to near breakeven before the end of the third quarter. In the fall, periods of negative returns are possible. Thus, profitability in the hog sector likely will be down substantially from 1987.

Larger Pork Production Expected in 1988

In the first quarter of 1988, commercial pork production totaled 3.787 billion pounds, up 7 percent from a year earlier. Dressed weights were heavy for the second consecutive year, averaging 178 pounds versus the 5-year average of 174. Also for the second year in a row, January marketings constituted a greater-than-normal share of the quarterly total.

Table 26--Hogs on farms March 1, farrowings and pig crops, 10 States 1/

Item	1984	1985	1986	1987	1988	1987/86	1988/87
	1,000 head					% change	
Inventory	40,070	39,680	38,210	38,370	40,495	0	+6
Breeding	5,446	5,220	4,948	5,215	5,420	+5	+4
Market	34,624	34,460	33,262	33,155	35,075	0	+6
Under 60 lb	12,437	12,701	12,350	12,596	13,455	+2	+7
60-119 lb	8,561	8,427	8,046	7,959	8,290	-1	+4
120-179 lb	7,769	7,580	7,276	7,132	7,365	-2	+3
180 + lb	5,857	5,752	5,590	5,468	5,965	-2	+9
Sows farrowing							
Dec. 2/-Feb.	1,964	1,955	1,863	1,916	2,030	+3	+6
March-May	2,481	2,420	2,171	2,352	3/ 2,399	+8	+2
Dec. 2/-May	4,445	4,375	4,034	4,268	4,429	+6	+4
June-Aug.	2,259	2,191	2,074	2,257	3/ 2,304	+9	+2
Sept.-Nov.	2,316	2,265	2,115	2,258		+7	
June-Nov.	4,575	4,456	4,189	4,515		+8	
Pig crops							
Dec. 2/-Feb.	14,288	14,690	14,254	14,840	15,765	+4	+6
Mar.-May	18,814	18,762	16,957	18,601		+10	
Dec. 2/-May	33,102	33,452	31,211	33,441		+7	
June-Aug.	17,158	16,941	16,164	17,481		+8	
Sept.-Nov.	17,420	17,255	16,460	17,495		+6	
June-Nov.	34,578	34,196	32,624	34,976		+7	
	Number						
Pigs per litter							
Dec. 2/-Feb.	7.27	7.51	7.65	7.75	7.77	+1	0
March-May	7.58	7.75	7.81	7.91		+1	
Dec. 2/-May	7.45	7.65	7.74	7.84		+1	
June-Aug.	7.60	7.73	7.79	7.75		-1	
Sept.-Nov.	7.52	7.62	7.78	7.75		0	
June-Nov.	7.56	7.67	7.79	7.75		-1	

1/ Ga., Ill., Ind., Ia., Kan., Minn., Mo., Neb., N.C., and Ohio. 2/ Dec. preceding year. 3/ Intentions.

Table 27--Sow slaughter balance sheet, 10 States

Item	1985	1986	1987	1988
	Million head			
December 1 breeding 1/	5.3	5.3	5.1	5.4
December-February				
Comm. sow slaughter 2/	.8	.7	.6	.7
Gilts added	.7	.3	.7	.7
March 1 breeding	5.2	4.9	5.2	5.4
March-May				
Comm. sow slaughter 2/	.7	.6	.6	
Gilts added	.9	.6	.7	
June 1 breeding	5.4	4.9	5.3	
June-August				
Comm. sow slaughter 2/	.8	.7	.8	
Gilts added	.8	.7	.8	
September 1 breeding	5.4	4.9	5.3	
September-November				
Comm. sow slaughter	.8	.7	.7	
Gilts added	.7	.9	.8	

1/ December previous year. 2/ 75 percent of estimated U.S. commercial sow slaughter.

Table 28--Farrow-to-finish hog production costs and returns, 1,600 head annual sales
North Central Region 1/

Item	1987						1988		
	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Dollars per cwt									
Cash receipts: 2/									
Market hogs (94.25 lb)	57.85	56.55	51.82	47.83	38.76	39.41	42.37	44.24	40.28
Cull sows (5.75 lb)	2.68	2.77	2.76	2.73	1.94	1.69	1.90	2.02	1.94
Total	60.53	59.32	54.58	50.56	40.70	41.10	44.27	46.26	42.22
Cash expenses:									
Feed--									
Corn (345.6 lb)	10.31	10.26	9.75	9.95	9.47	8.76	9.60	9.82	9.91
Soybean meal (70.6 lb)	6.83	6.89	6.89	6.89	7.32	7.32	7.32	7.39	7.39
Mixing concentrates (14.3 lb)	2.89	2.84	2.84	2.84	2.84	2.84	2.84	2.82	2.82
Total feed	20.03	19.99	19.48	19.68	19.63	18.92	19.76	20.03	20.12
Other:									
Veterinary and medicine 3/	0.74	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73
Fuel, lube, and electricity	1.44	1.46	1.46	1.46	1.48	1.48	1.48	1.50	1.50
Machinery and building repairs	2.41	2.41	2.41	2.42	2.42	2.42	2.42	2.42	2.42
Hired labor 4/	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27
Miscellaneous	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61	0.61
Total variable expenses	26.50	26.47	25.96	26.17	26.14	25.43	26.27	26.56	26.65
General farm overhead	2.08	2.05	1.89	1.75	1.41	1.42	1.53	1.61	1.47
Taxes and insurance	0.64	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63
Interest	5.14	5.04	4.64	4.29	3.43	3.46	3.73	3.89	3.55
Total fixed expenses	7.86	7.72	7.16	6.67	5.47	5.51	5.89	6.13	5.65
Total cash expenses 5/	34.36	34.19	33.12	32.84	31.61	30.94	32.16	32.69	32.30
Receipts less cash expenses	26.17	25.13	21.46	17.72	9.09	10.16	12.11	13.57	9.92
Capital replacement	5.67	5.82	5.82	5.82	5.75	5.75	5.75	5.84	5.84
Receipts less cash expenses and replacement	20.50	19.31	15.64	11.90	3.34	4.41	6.36	7.73	4.08

1/ The feed rations and expense items do not necessarily coincide with the experience of individual hog operations and are an average of a group of operators. For individual use, adjust expenses and prices for management, production levels and locality of operation. 2/ Based on 94.25 lb of barrows and gilts liveweight and 5.75 lb of sows per cwt sold. 3/ Includes costs for feed medication, that is usually included as part of the feed cost. 4/ Based on .204 hours per cwt of liveweight hog marketed. 5/ Do not include a charge for family or operator labor (.732 hours) or a charge for land and fixed assets.

Table 29--Corn Belt hog feeding: Selected costs at current rates 1/

Purchased during: Marketed during:	May '87 Sept. '87	June Oct.	July Nov.	Aug. Dec.	Sept. Jan.	Oct. Feb.	Nov. Mar.	Dec. Apr.	Jan. May	Feb. June	Mar. July
Expenses: (\$/head)											
40-50 lb feeder pig	51.66	45.89	45.60	48.05	47.28	41.53	36.56	31.74	37.47	44.80	48.65
Corn (11 bu)	18.15	18.48	17.49	15.84	15.95	16.83	17.71	18.76	19.08	20.02	20.13
Protein supplement (130 lb)	17.03	17.03	18.72	18.72	18.72	18.79	18.79	18.79	20.28	20.28	20.28
Total feed	35.18	35.51	36.21	34.56	34.67	35.62	36.50	37.55	39.36	40.30	40.41
Labor & management (1.3 hr)	11.13	11.13	12.19	12.19	12.19	10.61	10.61	10.61	10.86	10.86	10.86
Vet medicine 2/	2.64	2.64	2.67	2.67	2.67	2.68	2.68	2.68	2.70	2.70	2.70
Interest on purchase (4 mo)	1.88	1.67	1.67	1.76	1.73	1.55	1.37	1.19	1.40	1.68	1.82
Power, equip, fuel, shelter depreciation 2/	6.43	6.43	6.50	6.50	6.50	6.52	6.52	6.52	6.55	6.55	6.55
Death loss (4% of purchase)	2.07	1.84	1.82	1.92	1.89	1.66	1.46	1.27	1.50	1.79	1.95
Transportation (100 miles)	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48
Marketing expenses	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Miscel. & indirect costs 2/	.66	.66	.67	.67	.67	.67	.67	.67	.67	.67	.67
Total	113.27	107.39	108.95	109.94	109.22	102.46	97.99	93.85	102.13	110.97	115.23
Selling Price Required To Cover: (\$/cwt)											
Feed and feeder costs (220 lb)	39.47	37.00	37.19	37.55	37.25	35.07	33.21	31.50	34.92	38.68	40.48
All costs (220 lb)	51.49	48.81	49.52	49.97	49.65	46.57	44.54	42.66	46.42	50.44	52.38
Feed cost per 100-lb gain (180 lb)	19.54	19.73	20.12	19.20	19.26	19.79	20.28	20.86	21.87	22.39	22.45
Barrows and gilts, 7 mks	54.72	48.75	40.65	41.14	44.43	47.01	42.79				
Net margin	3.23	-.06	-8.87	-8.83	-5.22	.44	-1.75				
Prices:											
40-lb feeder pig (So. Missouri) \$/head	51.66	45.89	45.60	48.05	47.28	41.53	36.56	31.74	37.47	44.80	48.65
Corn \$/bu 3/	1.65	1.68	1.59	1.44	1.45	1.53	1.61	1.70	1.74	1.82	1.83
Protein supp. (38-42%) \$/cwt 4/	13.10	13.10	14.40	14.40	14.40	14.45	14.45	14.45	15.60	15.60	15.60
Labor & management \$/hr 5/	8.56	8.56	9.38	9.38	9.38	8.16	8.16	8.16	8.35	8.35	8.35
Interest rate (annual)	10.90	10.90	11.00	11.00	11.00	11.22	11.22	11.22	11.22	11.22	11.22
Transportation rate \$/cwt (100 miles) 6/	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Marketing expenses \$/cwt 7/	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Index of prices paid by farmers (1910-14=100)	1116	1116	1128	1128	1128	1132	1132	1132	1138	1138	1138

1/ Although a majority of hog feeding operations in the Corn Belt are from farrow-to-finish, relative fattening expenses will be similar. Costs represent only what expenses would be if all selected items were paid for during the period indicated. The feed rations and expense items do not necessarily coincide with the experience of individual feeders. For individual use, adjust expenses and prices for management, production level, and locality of operation. 2/ Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. 3/ Average price received by farmers in Iowa and Illinois. 4/ Average prices paid by farmers in Iowa and Illinois. 5/ Assumes an owner-operator receiving twice the farm labor rate. 6/ Converted from cents/mile for a 44,000-pound haul. 7/ Yardage plus commission fees at a Midwest terminal market.

Table 30—Commercial hog slaughter 1/ and production

Year	Barrows & gilts	Sows	Boars	Total	Dressed weight	Commercial production
		1,000 head			Pounds	Million pounds
1986						
I	19,272	920	187	20,379	175	3,570
II	19,224	896	196	20,316	176	3,568
III	17,365	999	210	18,573	174	3,237
IV	19,223	927	179	20,330	178	3,623
Year	75,084	3,742	772	79,598	176	13,998
1987						
I	19,008	762	170	19,940	178	3,540
II	17,877	846	188	18,911	176	3,327
III	18,201	1,009	186	19,396	174	3,384
IV	21,776	888	170	22,834	178	4,061
Year	76,862	3,505	714	81,081	177	14,312
1988						
I	20,293	854	192	21,339	177	3,787

1/ Classes estimated.

Based primarily on the September–November 1987 pig crop, second-quarter 1988 hog slaughter is expected to be about 20.8 million head. The March 1, 10–State inventory of 60- to 179-pound market hogs, which is also an indicator of second-quarter slaughter, suggests a somewhat smaller kill. However, the high rate of slaughter witnessed in April may corroborate the larger projection. Live weights were heavy in April, barrow and gilts averaged 6 pounds more than a year ago at the 7 major terminal markets, and second-quarter average dressed weights may be about 2 pounds heavier than in 1987. Thus, pork production in the second quarter is projected to be 10 percent above a year ago at 3.675 billion pounds.

Pork production in the third quarter of 1988 may be up about 8 percent from last summer. In this case, the December 1987–February 1988 pig crop and the number of pigs under 60 pounds on March 1 both point toward a total kill of about 21 million head, also up 8 percent. However, weekly slaughter rates in July and early August could exceed year-earlier figures by 11 to 12 percent. Projected at 3.65 billion pounds, third-quarter pork production would be only slightly less than in the spring quarter, a departure from the normal decline of about 6 percent.

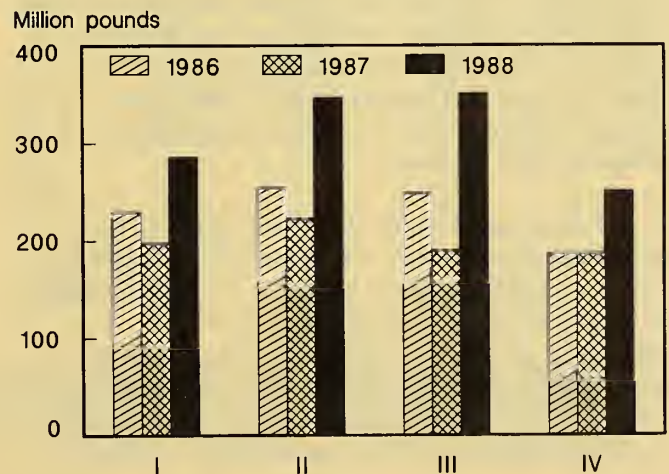
If March–May and June–August 1988 farrowing intentions are realized, pork production will plateau in late 1988 and early 1989. Hog slaughter in the final quarter may

be about the same as in the fourth quarter of 1987, at approximately 22.8 million head, with commercial pork production slightly greater than 4 billion pounds.

Frozen Pork Stocks Substantially Above a Year Ago

As of March 31, 1988, there were 346 million pounds of pork in cold storage, 56 percent more than a year earlier and 25 percent above the 10-year average for that date. Possibly stimulated by consistently favorable basis and cross-product basis ratios (i.e., sizable premiums in futures prices over cash), cold storage stocks have grown rapidly since last October. Led by increases in bellies, spareribs, and trimmings, freezer stocks expanded by 160 million pounds

Pork in Cold Storage



between September 30, 1987, and March 31, 1988. By contrast, a net of only 43 million pounds was moved into storage between September 30, 1986, and March 31, 1987. The low rate of accumulation in 1986/87 resulted in a relatively small stock of frozen pork at the end of spring, which contributed to a rise in pork prices during the summer. This year, however, freezer stocks could become burdensome by the end of the second quarter if accumulation continues at the current pace and production forecasts are realized.

Hog Prices Decline

As a result of a 9-percent increase in per capita pork supplies, first-quarter 1988 hog prices were lower than a year earlier. Barrow and gilt prices at the 7 major markets fell 7 percent to \$44.74 per cwt, while carcass cutout values registered a decline of 4 percent. The spread between hog prices and cutout values widened relative to a year earlier as marketings increased, a trend that is expected to continue through the second quarter.

Barrow and gilt prices fell from near \$50 per cwt in early February to the low \$40's in early March. Weekly hog slaughter under Federal inspection during this period rose from 1.54 to 1.65 million head, a moderate seasonal increase. Average kills remained above 1.6 million through April, and hog prices held near \$42 per cwt.

In the second quarter of 1988, barrow and gilt prices are expected to average \$44-48 per cwt. Weekly slaughter rates could fall below 1.5 million head in June, strengthening cutout values from early spring levels and narrowing the spread between wholesale pork and live hog prices. As a result, barrow and gilt prices could reach \$50 per cwt by the end of the quarter. Per capita pork supplies may be about 10 percent higher than a year ago, however, holding prices well below those achieved last summer.

Price patterns in the third quarter may differ markedly from 1986 and 1987, with a much weaker scenario possible. Cold storage stocks are likely to surface as a major influence on prices, as liquidation of these large stocks applies pressure to wholesale pork values. In addition, hog slaughter may begin to increase earlier than usual this summer,

Table 31--Federally inspected hog slaughter

Week ended	1986	1987	1988
Thousands			
Jan.			
9	1,675	1,683	1,717
16	1,654	1,659	1,766
23	1,563	1,527	1,605
30	1,506	1,500	1,543
Feb.			
6	1,526	1,455	1,535
13	1,512	1,502	1,544
20	1,501	1,395	1,542
27	1,606	1,533	1,595
Mar.			
5	1,635	1,555	1,600
12	1,650	1,577	1,674
19	1,556	1,573	1,639
26	1,579	1,500	1,631
Apr.			
2	1,518	1,529	1,599
9	1,633	1,553	1,573
16	1,651	1,498	1,656
23	1,619	1,393	1,656
30	1,637	1,453	1,699
May			
7	1,607	1,475	1,634
14	1,560	1,440	
21	1,518	1,445	
28	1,310	1,226	
June			
4	1,471	1,383	
11	1,459	1,372	
18	1,373	1,341	
25	1,330	1,356	
July			
2	1,118	1,193	
9	1,390	1,360	
16	1,349	1,345	
23	1,281	1,354	
30	1,314	1,330	
Aug.			
6	1,338	1,372	
13	1,369	1,445	
20	1,402	1,404	
27	1,419	1,475	
Sept.			
3	1,257	1,548	
10	1,492	1,363	
17	1,504	1,709	
24	1,504	1,620	
Oct.			
1	1,521	1,658	
8	1,555	1,638	
15	1,528	1,720	
22	1,551	1,664	
29	1,580	1,786	
Nov.			
5	1,576	1,791	
12	1,537	1,778	
19	1,557	1,770	
26	1,308	1,463	
Dec.			
3	1,530	1,879	
10	1,548	1,879	
17	1,503	1,727	
24	1,069	1,150	
31	1,258	1,458	

1/ Corresponding dates to 1988: 1986, January 11; 1987, January 10.

suggesting an earlier seasonal price peak. Per capita pork supplies may be nearly unchanged from the second quarter, exceeding year-earlier levels by about 10 percent. Barrows and gilts at the 7 markets are thus expected to average \$45 to \$49 per cwt, with prices in the low \$40's possible by the end of September.

In 1987 there was an unusually sharp rise in pork supplies from the third to the fourth quarter. This year, a more moderate rise is anticipated, accompanied by a more moderate decline in prices. Per capita pork supplies in the fourth quarter of 1988 are expected to be about the same as a year earlier, with barrow and gilt prices again averaging in the low \$40's per cwt.

Retail Pork Prices Relatively Firm

Retail pork prices have remained relatively strong despite a 6 percent rise in per capita pork production. Reduced supplies of relatively higher-priced beef products have helped support prices of premium pork cuts, which have declined only slightly since late last summer. In first-quarter 1988, the composite retail pork price averaged \$1.84 per pound, down a cent from a year ago and down 6 cents from last fall. For the year, retail

prices are expected to average 1 to 4 percent below 1987's \$1.89 per pound. The rise in the farm-to-retail spread is likely to be 4 to 8 percent. In 1987, the spread rose 10 percent from 1986.

Cash Receipts Total Over \$10 Billion

Cash receipts for hogs and pigs marketed in 1987 totaled \$10.3 billion, up 6 percent from 1986. Prices for all hogs were up 4 percent, while marketings were up 2 percent. In 1988, cash receipts are expected to drop as prices fall 12 to 13 percent, although marketings are expected to rise. [Kevin Bost (202) 786-1285]

Outlook Positive for Pork Exports

U.S. pork exports in 1987 totaled 109 million pounds, up 27 percent from the year before. This upward trend is expected to continue and exports are forecast to reach 120 million pounds in 1988. The major market is Japan, which took over half of U.S. exports last year. The strength of the Japanese yen vis-a-vis the U.S. dollar has reduced the relative cost of imported feed grains and meat. As a result, Japanese pork production and imports are forecast to continue to increase in 1988. Imports account for 16 percent of Japanese pork consumption.

Table 32--Pork: Retail, wholesale, and farm values, spreads, and farmers' share

Year	Retail price 1/	Wholesale value 2/	Gross farm value 3/	By-product allowance 4/	Net farm value 5/	Farm-retail spread			Farmers' share 6/
						Total	Wholesale-retail	Farm-wholesale	
						Cents per pound			Percent
1982	175.4	121.8	94.3	6.3	88.0	87.4	53.6	33.8	50
1983	169.8	108.9	81.4	4.9	76.5	93.3	60.9	32.4	45
1984	162.0	110.1	83.3	5.9	77.4	84.6	51.9	32.7	48
1985	162.0	101.1	76.2	4.8	71.4	90.6	60.9	29.7	44
1986	178.4	110.9	87.3	4.9	82.4	96.0	67.5	28.5	46
1987	188.4	113.0	87.9	5.2	82.7	105.7	75.4	30.3	44
I	185.0	103.8	81.8	5.0	76.8	108.2	81.2	27.0	41
II	183.4	116.6	95.6	5.5	90.1	93.3	66.8	26.5	49
III	195.5	124.3	100.3	5.9	94.4	101.1	71.2	29.9	48
IV	189.7	107.4	74.0	4.3	69.7	120.0	82.3	37.7	37
1988									
Jan.	185.3	104.0	75.9	4.6	71.3	114.0	81.3	32.7	38
Feb.	183.1	105.3	80.3	4.8	75.5	107.6	77.8	29.8	41
Mar.	183.3	103.5	72.9	4.3	68.6	114.7	79.8	34.9	37
I	183.9	104.3	76.4	4.6	71.8	112.1	79.6	32.5	39

1/ Estimated weighted-average of BLS prices of retail cuts from pork carcass. 2/ Value of wholesale quantity equivalent to 1 lb of retail cuts. A wholesale-carcass equivalent of 1.06 is used. 3/ Market values to producer for 1.7 lb of live animal, equivalent to 1 lb of retail cuts. 4/ Portion of gross farm value attributable to edible and inedible by-products. 5/ Gross farm value minus by-product allowance. 6/ Percent net farm value is of retail price.

In March the Japanese began extensive testing for residues of sulfamethazine, an antibiotic used to control respiratory infections in hogs. Studies have shown that sulfamethazine caused cancer in laboratory animals. Residues have been found in samples of pork from the United States, Taiwan, and Denmark. In response to a threatened ban on pork imports, the United States, as well as the other major Japanese pork suppliers, have increased testing for this drug.

Pork Imports Increase

U.S. pork imports rose 7 percent in 1987 to 1,195 million pounds, carcass weight. Imports in 1988 are forecast to continue up by another 10 percent. The major suppliers in 1987 were Canada (46 percent) and Denmark (29 percent).

U.S. imports from Canada rose 12 percent in 1987 to 546 million pounds. In Canada, 1987 was a profitable year for pork producers because hog prices were high and feed costs were low. Hog inventories in Canada rose and January 1988 inventories were up 7.5 percent from a year earlier. Pork output increased 4 percent in 1987 and is forecast to rise 6 percent this year. However, projected higher feed costs in the latter part of 1988 should reduce profitability, moderating the growth of output. Exports of Canadian pork and hogs to the United States are forecast to continue to increase because of relatively more favorable U.S. prices.

Imports of Danish pork decreased 6 percent in 1987 to 354 million pounds. To counter the effects of the strength of the Danish krone relative to the dollar, the EC has recently increased export restitutions. These increases are expected to keep Danish trade from declining further. Pork output and hog inventories in Denmark are forecast to be lower in 1988 as large supplies of pork and competing meats hold prices down and squeeze returns to producers. Furthermore, the Danish Parliament passed an environmental protection bill requiring livestock producers to provide storage for manure for 9 months. Some producers are stopping production rather than incur the increased cost of manure tanks. [Linda M. Bailey (202) 786-1285]

Pasture and Forage Conditions

Low moisture conditions and cooler weather have limited pasture growth in the Pacific Northwest and Southeast this spring. In several regions of the West, fall-winter streamflow likely will remain well below normal due to less than adequate winter snowpack. Above-normal rainfall in the Pacific Northwest in March through early May provided some relief, but weather conditions have been dry over the last 3 years. Dry conditions caused pastures to deteriorate in the northern Great Plains in March and April; however, fall-winter streamflow should be above normal throughout the central Great Plains.

Producers indicated intentions to increase harvested hay acreage nearly 1 percent in 1988. Hay stocks on December 1, 1987, were 2 percent below the record stocks of a year earlier, but remained the second largest on record. Winter feeding was likely heavier due to more normal weather compared with milder weather during the past couple of years. The farm price of hay averaged \$72.90 per ton in mid-April, up from \$66.10 a year ago. Alfalfa hay prices averaged \$77.40 a ton, up nearly \$10. Prices for other hay averaged \$53.40, up \$5 a ton.

Cattle on Feed Numbers Up

Cattle on feed on April 1 in the 13 quarterly reporting States were nearly 9.4 million head, 6 percent above a year earlier. While large, this feedlot inventory is only 2 percent above the previous 5-year average and comparable to numbers on feed during the spring quarter of 1984 and 1985. Steers on feed in all weight categories totaled 6.1 million head, 7 percent above the spring quarter of 1987 and the largest steer inventory on feed since April 1979. Nearly 45 percent of the steers fell in the two heaviest weight categories above 900 pounds, up 18 percent from last spring.

Heifers on feed April 1 reached 3.25 million head, 6 percent above a year earlier. This is comparable with inventories during the early 1980's, although there is some bunching in the weight group over 900 pounds. These animals accounted for 27 percent of the total,

Table 33--Cattle on feed, placements, and marketings, 13 States

Item	1986	1987	1988	1988/87
	1,000 head			Percent change
On feed Jan 1	9,754	9,245	9,769	+6
Placements, Jan.-Mar.	5,270	5,680	5,796	+2
Marketings, Jan.-Mar.	5,763	5,747	5,810	+1
Other disappearance Jan.-Mar.	316	371	390	+5
On feed April 1	8,945	8,807	9,365	+6
Steer & steer calves	5,600	5,708	6,082	+7
-500 lb	129	140	172	+23
500-699 lb	758	822	641	-22
700-899 lb	2,030	2,417	2,511	+4
900-1,099 lb	1,903	1,790	2,089	+17
1,100 + lb	780	539	669	+24
Heifers & heifer calves	3,302	3,064	3,249	+6
-500 lb	85	97	86	-11
500-699 lb	814	818	755	-8
700-899 lb	1,483	1,390	1,543	+11
900 + lb	920	759	865	+14
Cows	43	35	34	-3
Marketings, Apr.-June	5,821	5,619	1/5,931	+6

1/ Intentions.

which is comparable with April 1986, but higher than spring-quarter figures for any other period since 1970.

Net placements during the first quarter were 2 percent above a year ago and up 9 percent from 1986. These were the largest winter-quarter placements since the record set in 1978. First-quarter marketings were up only 1 percent in spite of the large number of cattle on feed in the heavier weight groups at the beginning of the quarter. Given the near-record number of heavy cattle on feed, cattle feeders indicated intentions to market 6 percent more cattle during the spring quarter than a year ago. This would push fed cattle marketings above 5.9 million head, the largest April-June marketing number since 1978.

Increased fed cattle marketings this spring will offset a large share of the expected decline in nonfed cattle slaughter. Commercial cow slaughter could decline another 5 percent from the 1.53 million head reported during the first quarter, pushing cow slaughter 10 percent below the spring of 1987. Commercial cattle slaughter during January-March was 2 percent below a year ago, with nonfed steer and heifer slaughter

Table 34--13-States cattle on feed, placements, marketings, and other disappearance

Year	On feed 1/	Percent change 2/	Place-ments	Percent change 2/	Fed mar-ketings	Percent change 2/	Other dis-appearance	Percent change 2/
	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent
1985								
I	10,653	7.3	5,315	-3.4	5,907	3.4	373	2.2
II	9,688	3.7	5,206	-6.5	5,787	3.0	437	-24.9
III	8,670	-3	5,480	-12.3	5,969	5.0	244	-9.0
IV	7,937	-11.8	7,365	-3.0	5,224	-5.1	324	-22.3
Year	---	---	23,366	-6.1	22,887	1.6	1,378	-15.6
1986								
I	9,754	-8.4	5,270	-8	5,763	-2.4	316	-15.3
II	8,945	-7.7	5,221	-3	5,821	-6	375	-14.2
III	7,970	-8.1	6,336	15.6	5,876	-1.6	233	-4.5
IV	8,197	3.3	6,756	-8.3	5,396	3.3	312	-3.7
Year	---	---	23,583	.9	22,856	-1	1,236	-10.3
1987								
I	9,245	-5.1	5,680	7.8	5,747	-3	371	17.4
II	8,807	-1.5	5,906	13.1	5,619	-3.5	428	14.1
III	8,666	-8.7	6,590	4.0	6,022	2.5	242	3.9
IV	8,922	9.7	6,698	-9	5,583	3.5	338	8.3
Year	---	---	24,874	5.5	22,971	.5	1,379	11.6
1988								
I	9,769	-5.7	5,796	2.0	5,810	1.1	390	5.1
II	9,365	6.3			3/ 5,931	5.6		

1/ Beginning of quarter. 2/ Percent change from previous year. 3/ Expected marketings.

Table 35--7-States cattle on feed, placements, and marketings

Year	On feed	Percent change 1/	Net placements	Percent change 1/	Marketings	Percent change 1/	Other disappearance	Percent change 1/
	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent
1986								
Jan.	7,920	-8.3	1,494	+12.2	1,750	-1.8	87	-26.3
Feb.	7,664	-6.4	1,128	-9.5	1,470	-4.5	92	-2.1
Mar.	7,322	-7.2	1,564	+4.7	1,593	+2.2	86	-12.2
Apr.	7,293	-6.8	1,445	+12.6	1,631	+1.7	120	-9.8
May	7,107	-5.3	1,624	+4.9	1,635	+1.9	132	+3.1
June	7,096	-4.8	1,095	-7.5	1,648	+4.5	67	-23.0
July	6,543	-7.3	1,480	+45.5	1,692	+1.3	64	+4.9
Aug.	6,331	-1.1	1,732	+19.6	1,659	-2.2	70	+12.9
Sept.	6,404	+4.0	2,044	+7.1	1,637	+2.1	59	-25.3
Oct.	6,811	+5.4	2,322	-13.8	1,587	+9	81	-4.7
Nov.	7,546	-5	1,727	+2.2	1,447	+4.9	87	+14.5
Dec.	7,826	-8	1,331	-2.8	1,514	+8.6	104	-6.3
1987								
Jan.	7,643	-3.5	1,464	-2.0	1,803	+3.0	127	+46.0
Feb.	7,304	-4.7	1,337	+18.5	1,478	+5	105	+14.1
Mar.	7,163	-2.2	1,630	+4.2	1,561	-2.0	89	+3.5
Apr.	7,232	-8	1,542	+6.7	1,541	-5.5	139	15.8
May	7,233	+1.8	1,841	+13.4	1,514	-7.4	143	+8.3
June	7,560	+6.5	1,335	+21.9	1,702	+3.3	87	+29.9
July	7,193	+9.9	1,163	-21.4	1,703	+7	71	+10.9
Aug.	6,693	+5.7	1,847	+6.6	1,722	+3.8	68	-2.9
Sept.	6,818	+6.5	2,358	+15.4	1,641	-2	71	+20.3
Oct.	7,535	+10.6	2,519	+8.5	1,690	+6.5	85	+4.9
Nov.	8,364	+10.8	1,506	-12.8	1,458	+8	103	+18.4
Dec.	8,412	+7.5	1,231	-7.5	1,577	+4.2	119	+14.4
1988								
Jan.	8,066	+5.5	1,549	+5.8	1,759	-2.4	111	-12.6
Feb.	7,856	+7.6	1,243	-7.0	1,527	+3.3	126	+20.0
Mar.	7,572	+5.7	1,727	+6.0	1,573	+8	106	+19.1
Apr.	7,726	+6.8						

1/ Percent change is from previous year.

Table 36--Commercial cattle slaughter 1/ and production

Year	Steers and heifers			Cows	Bulls and stags	Total	Dressed weight	Commercial production
	Fed	Nonfed	Total					
	1,000 head						Pounds	Million pounds
1986								
I	6,509	325	6,834	1,885	165	8,884	649	5,769
II	6,702	683	7,385	2,006	181	9,572	653	6,246
III	6,745	775	7,520	1,941	191	9,652	651	6,273
IV	6,126	748	6,874	2,129	177	9,180	645	5,925
Year	26,082	2,531	28,613	7,961	714	37,288	649	24,213
1987								
I	6,511	439	6,950	1,652	163	8,765	656	5,754
II	6,477	619	7,096	1,603	179	8,878	646	5,737
III	6,945	461	7,406	1,636	181	9,223	657	6,064
IV	6,330	566	6,896	1,719	166	8,781	666	5,850
Year	26,263	2,085	28,348	6,610	689	35,647	657	23,405
1988								
I	6,577	322	6,899	1,526	150	8,575	664	5,696

1/ Classes estimated.

down 27 percent. Second-quarter cattle slaughter is expected to increase seasonally from the winter quarter to 8.7 million head, down 2 percent from a year earlier and the lowest since 1982. For the year, commercial cattle slaughter may decline about 4 percent from 1987.

Beef Production To Decline

Beef production will not fall off as much as the number of head slaughtered due to the higher proportion of fed cattle in the slaughter mix and heavier dressed weights. Commercial dressed slaughter weights were a record 664 pounds during the first quarter. Dressed steer weights averaged 2 pounds heavier, with heifers unchanged from a year ago. Cow weights were 14 pounds higher and bull weights were up 42 pounds. Cattle weights are expected to remain near the first-quarter average through the spring quarter before falling off several pounds during the second half of the year. For the year, beef production is expected to total about 22.7 billion pounds, 3 percent below 1987.

Larger fed cattle marketings over the next several months are expected to start pressuring fed cattle prices. Choice steer prices at Omaha likely will peak in the mid-\$70's this spring, and may decline to the upper-\$60's shortly thereafter. Large supplies of competing meats also will help hold down prices.

The next run of stronger cattle prices will likely occur this fall through mid-1989 as feeder cattle supplies begin to tighten. The number of heifers on feed remained large on April 1, but these heifers were from last year's crop of possible replacement stock. More heifers are likely to be retained this breeding season, resulting in lower fed cattle marketings beginning in late summer. For the year, fed cattle slaughter is expected to be down only marginally from 1987. Feedlot marketings will not begin to decline sharply until the current inventory of yearlings is reduced.

Feeder Cattle Supplies Down

The supply of yearling cattle outside feedlots on April 1 was unchanged from a year ago, while supplies of lighter weight calves

Table 37--April 1 feeder cattle supply

Item	1986	1987	1988	1988/ 1987
	1,000 head			Percent change
Calves - 500 lb				
On farms Jan 1.	24,431	23,154	20,895	-9.8
Slaughter Jan-Mar.	873	760	647	-14.9
On feed April 1 1/	252	281	304	+8.2
Total	23,306	22,113	19,944	-9.8
Steers & Heifers				
500 lb + 2/				
On farms Jan 1.	24,057	22,865	23,404	+2.4
Slaughter Jan-Mar.	6,834	6,950	6,898	-.7
On feed April 1 1/	10,241	10,121	10,706	+5.8
Total	6,982	5,794	5,800	+1
Total supply	30,288	27,906	25,744	-7.7

1/ Estimated U.S. steers and heifers. 2/ Not including heifers for cow replacements.

were down nearly 10 percent. Total feeder cattle supplies outside feedlots on April 1 were down 8 percent from 1987. Larger imports of feeder cattle from Mexico this winter have partially offset the reduced supply of domestic feeder cattle. Mexican feeder cattle movements into the United States were delayed several months during fourth-quarter 1987. However, movements across the border during January-February totaled nearly 538,000 head, 60 percent above a year earlier.

Seasonally larger feeder cattle supplies off spring wheat pasture began to soften cash prices during April. Feeder steers weighing 700 to 800 pounds fell from the mid-\$80's to upper-\$70's by May. These prices are expected to continue through the spring quarter, and average in the mid-to-upper \$70's per cwt by summer. Feeder cattle supplies should begin to tighten by fall and stocker cattle prices will likely strengthen into the low \$80's per cwt. This will be a counter-seasonal price move from past years. However, declines in the inventory of light cattle will force feedlots to bid higher prices for placement cattle. This scenario should encourage renewed interest in forward contracting by feedlots.

Beef Imports Rise

U.S. beef imports reached 2,269 million pounds, carcass weight, in 1987, up 7 percent from 1986. Imports are forecast to be up in 1988 to 2.3 billion pounds. The United States imports fresh or frozen, grass fed,

Table 38--Commercial calf slaughter and production

Year	Slaughter	Dressed weight	Production
	1,000 head	Pounds	Million pounds
1986			
I	873	148	129
II	836	154	129
III	859	150	129
IV	839	145	122
Year	3,408	149	509
1987			
I	760	147	112
II	651	155	101
III	684	145	99
IV	720	144	104
Year	2,815	148	416
1988			
I	647	150	97

Table 39--Calf slaughter by class under Federal inspection

Year	Bob veal 150 lb & below	Fed	Other over 400 lb	Total
		Formula 150-400 lb	Nonformula 150-400 lb	
		1,000 head		
1986				
Jan.	156.0	86.7	26.0	289.0
Feb.	135.3	83.2	18.8	256.0
Mar.	147.3	87.5	20.7	275.9
Apr.	149.8	82.7	29.8	284.2
May	121.2	86.2	29.6	257.4
Jun.	111.9	84.0	26.4	240.1
Jul.	149.6	87.2	27.3	281.3
Aug.	135.9	83.8	23.8	261.9
Sept.	135.0	86.9	25.0	263.2
Oct.	132.5	86.9	22.1	276.0
Nov.	117.0	68.1	19.0	238.2
Dec.	127.1	86.1	17.4	271.6
Yr	1,618.6	1,009.3	285.9	3,194.8
1987				
Jan.	115.9	87.1	15.1	247.6
Feb.	104.5	82.2	13.3	224.7
Mar.	120.5	90.2	13.8	251.1
Apr.	89.4	86.8	15.5	214.9
May	70.0	80.7	14.4	189.1
Jun.	81.3	94.2	13.3	214.5
Jul.	101.3	80.8	12.1	220.2
Aug.	101.6	64.2	14.8	202.4
Sept.	99.4	91.0	14.0	228.6
Oct.	102.8	85.6	19.3	233.1
Nov.	103.5	70.4	12.3	211.3
Dec.	117.6	89.5	13.5	241.9
Yr	1,207.8	1,002.7	171.4	2,679.4
1988				
Jan.	115.9	87.1	15.1	247.6
Feb.	95.9	94.0	18.0	224.8
Mar.	96.3	92.8	11.4	215.8

manufacturing beef mainly from Australia and New Zealand. Processed beef in airtight containers is imported mainly from Brazil and Argentina. Last year on a carcass weight basis, 70 percent of U.S. beef imports came from Australia and New Zealand, 13 percent from Argentina and Brazil.

Output of beef by major U.S. suppliers is forecast to be up about 1 percent in 1988. Australian output is likely to increase marginally. During 1987 strong demand from Japan and the United States boosted Australia's output. Dry conditions in some areas may slow the expected herd rebuilding this year. The high interest rates and unfavorable exchange rates faced by New Zealand producers are dampening optimism for increases in production and exports.

Argentine output is forecast to decline. However, domestic demand is likely to be down, and if world prices strengthen as expected, exports are forecast to increase. Brazil's output and exports are forecast to rise in 1988. The turmoil in Brazil's cattle industry that caused the Cruzado plan and the resultant drop in output and exports are past, as are the large imports of beef from the EC and the United States.

Imports of fresh, chilled, or frozen beef, veal, mutton, and goat under the Meat Import Law in 1987 totaled 1,489 million pounds, product weight, up 5 percent from a year earlier. The trigger level for 1988 was set at 1,525 million pounds, but imports under the law are forecast to remain under this level.

Beef Exports Up to Japan

Total U.S. beef exports rose 15 percent in 1987 to 604 million pounds, carcass weight. Exports to Japan advanced 12 percent to 397 million pounds. Exports mandated under the Food Security Act of 1985 to lessen the effects of the Dairy Termination Program mainly went to Brazil with some to Venezuela and Mexico in 1986 and 1987. Therefore, because of the completion of the mandate, total beef exports are forecast to decline to 530 million pounds this year, despite increased exports to Japan. [Linda M. Bailey (202) 786-1285]

Table 40--Federally inspected cattle slaughter

Week ended	Cattle			Steers			Cows								
	1986	1987	1988	1986	1987	1988	Total			Dairy			Dairy/total		
							1986	1987	1988	1986	1987	1988	1986	1987	1988
Thousands															
Percent															
Jan.															
9	757	741	664	343	349	328	189	148	132	79	66	64	42	45	48
16	755	766	722	343	360	358	176	151	127	72	67	63	41	44	50
23	704	707	701	321	336	353	153	124	125	67	61	59	44	49	47
30	669	673	673	308	332	340	143	128	117	62	64	56	43	50	48
Feb.															
6	655	674	644	307	316	335	144	135	114	64	67	57	44	50	50
13	651	621	636	310	303	332	122	119	103	58	59	53	48	50	51
20	638	602	637	289	292	316	126	109	118	59	55	59	47	50	50
27	676	657	640	318	326	317	136	121	121	64	65	58	47	54	48
Mar.															
5	637	678	618	297	337	307	130	127	115	62	67	57	48	53	50
12	638	646	609	304	311	298	128	124	105	61	58	54	48	47	52
19	646	624	622	305	300	312	131	111	106	61	55	54	47	49	51
26	641	616	607	295	303	304	135	116	108	64	58	53	47	50	49
Apr.															
2	669	652	617	315	328	315	157	121	106	89	57	51	57	47	48
9	716	649	600	354	333	300	148	114	101	97	51	50	65	45	50
16	705	681	619	339	349	315	137	119	110	86	52	54	63	44	49
23	719	639	670	342	330	343	159	117	115	92	48		58	41	
30	719	635	679	334	321		157	118		84	48		53	41	
May															
7	706	631		327	309		149	116		77	46		52	40	
14	731	700		339	348		156	124		74	50		47	37	
21	729	695		334	355		158	131		77	49		49	37	
28	643	613		310	308		136	108		64	43		47	40	
June															
4	720	680		364	351		142	117		66	50		46	43	
11	735	669		375	340		143	115		66	49		46	43	
18	691	649		327	320		140	123		65	50		46	41	
25	731	680		343	339		147	130		69	52		47	40	
July															
2	612	621		289	316		123	109		59	47		48	43	
9	734	652		342	338		149	114		74	51		50	45	
16	746	682		354	339		163	128		75	53		46	41	
23	732	672		346	333		151	121		71	51		47	42	
30	685	676		310	339		148	123		75	56		51	46	
Aug.															
6	723	694		339	335		141	123		71	58		50	47	
13	767	713		361	354		150	124		78	58		52	47	
20	733	692		341	336		147	129		71	63		48	49	
27	718	706		333	341		146	132		74	66		51	50	
Sept															
3	619	690		291	324		116	119		55	54		47	45	
10	734	624		332	296		134	100		59	44		44	44	
17	722	729		352	336		145	124		66	53		46	43	
24	678	677		337	312		143	123		63	57		44	46	
Oct.															
1	694	684		359	324		134	116		62	53		46	46	
8	686	690		342	340		137	120		64	53		47	44	
15	690	696		318	338		150	128		66	55		44	43	
22	688	676		322	319		152	136		61	57		40	42	
29	696	664		325	315		165	140		66	59		40	42	
Nov.															
5	714	649		335	311		165	140		68	58		41	41	
12	671	643		296	301		168	135		73	56		43	41	
19	692	648		313	308		175	141		70	57		40	40	
26	594	576		281	280		133	109		53	46		40	42	
Dec.															
3	685	646		298	305		174	138		74	58		43	42	
10	676	660		302	311		175	140		71	60		41	43	
17	691	639		315	324		170	115		73	51		44	44	
24	512	482		248	242		105	80		46	39		44	49	
31	577	561		274	291		130	86		62	41		48	48	

1/ Corresponding dates to 1988: 1986, Jan. 11; 1987, Jan. 10.

Table 41--Great Plains custom cattle feeding: Selected costs at current rates 1/

Purchased during: Marketed during:	June 87 Dec. 87	July Jan.	Aug. Feb.	Sept. Mar.	Oct. Apr.	Nov. May	Dec. June	Jan. July	Feb. Aug.	Mar. Sept.
Expenses: (\$/head)										
600 lb feeder steer	427.14	451.08	464.28	485.40	453.78	443.04	448.50	481.32	503.52	495.66
Transportation to feedlot (300 miles)	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96
Commission	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Feed										
Milo (1500 lb) 2/	56.55	55.35	51.15	49.20	51.60	52.95	53.40	54.15	54.75	55.65
Corn (1500 lb) 2/	63.30	60.15	55.50	56.25	58.65	59.85	62.55	63.60	64.65	66.45
Cotton seed meal (400 lb)	44.00	45.20	45.20	45.20	55.60	55.60	55.60	52.40	52.40	52.40
Alfalfa hay (800 lb)	46.00	44.00	42.00	42.80	43.20	45.60	46.80	46.00	46.80	46.40
Total feed cost	209.85	204.70	193.85	193.45	209.05	214.00	218.35	216.15	218.60	220.90
Feed handling and management charge	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Vet medicine	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Interest on feeder and 1/2 feed	27.27	28.36	28.76	29.83	30.01	29.56	29.98	30.21	31.41	31.06
Death loss (1.5% of purchase)	6.41	6.77	6.96	7.28	6.81	6.65	6.73	7.22	7.55	7.43
Marketing 3/	F.o.b.	F.o.b.	F.o.b.	F.o.b.	F.o.b.	F.o.b.	F.o.b.	F.o.b.	F.o.b.	F.o.b.
Total	701.63	721.87	724.81	746.92	730.61	724.21	734.51	765.86	792.04	786.02
Selling price required to cover: 4/ \$/cwt										
Feed and feeder cost (1056 lb)	60.32	62.10	62.32	64.29	62.77	62.22	63.15	66.05	68.38	67.86
All costs	66.44	68.36	68.64	70.73	69.19	68.58	69.56	72.52	75.00	74.43
Selling price 5/	66.12	67.30	70.79	72.26						
Net margin	-.32	-1.06	2.15	1.53						
Cost per 100 lb Gain:										
Variable cost										
less interest \$/cwt	48.05	47.09	44.96	44.95	47.97	48.93	49.82	49.47	50.03	50.47
Feed costs \$/cwt	41.97	40.94	38.77	38.69	41.81	42.80	43.67	43.23	43.72	44.18
Prices:										
Choice feeder steer										
600-700 lb Amarillo	71.19	75.18	77.38	80.90	75.63	73.84	74.75	80.22	83.92	82.61
Transportation rate \$/cwt/100 miles 6/	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Commission fee \$/cwt	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
Milo \$/cwt	3.62	3.54	3.26	3.13	3.29	3.38	3.41	3.46	3.50	3.56
Corn \$/cwt	4.07	3.86	3.55	3.60	3.76	3.84	4.02	4.09	4.16	4.28
Cottonseed Meal (41%) \$/cwt 7/	11.00	11.30	11.30	11.30	13.90	13.90	13.90	13.10	13.10	13.10
Alfalfa hay \$/ton 8/	85.00	80.00	75.00	77.00	78.00	84.00	87.00	85.00	87.00	86.00
Feed handling and management \$/ton	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Interest, annual rate 9/	10.25	10.25	10.25	10.25	10.75	10.75	10.75	10.25	10.25	10.25

1/ Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feedlots. For individual use, adjust expenses and prices for management, production level, and locality of operation. Steers are assumed to gain 500 lb in 180 days at 2.8 lb per day with feed conversion of 8.4 lb per pound gain. 2/ Texas Panhandle elevator price plus \$.015/cwt handling and transportation to feedlots. 3/ Most cattle sold f.o.b. at the feedlot with 4-percent shrink. 4/ Sale weight 1,056 lb (1,100 lb less 4-percent shrink). 5/ Choice slaughter steers, 900-1100 lb, Texas-New Mexico direct. 6/ Converted from cents per mile for a 44,000-lb haul. 7/ Average prices paid by farmers in Texas. 8/ Average price received by farmers in Texas plus \$30/ton handling and transportation to feedlots. 9/ Prime rate plus 2 points.

Table 42--Corn Belt cattle feeding: Selected costs at current rates 1/

Purchased during: Marketed during:	June '87 Dec. '87	July Jan.	Aug. Feb.	Sept. Mar.	Oct. Apr.	Nov. May	Dec. June	Jan. July	Feb. Aug.	Mar. Sept.
Expenses: (\$/head)										
600 lb feeder steer	444.00	457.20	476.28	489.00	462.00	477.00	473.00	510.00	501.00	511.20
Transportation to feedlot-400 mile	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28
Corn (45 bu)	75.60	71.55	64.80	65.03	68.85	72.45	76.95	78.30	81.90	82.35
Silage (1.7 tons)	28.30	26.84	25.42	25.61	26.19	27.43	28.84	29.38	30.76	31.54
Protein supplement (270 lb)	31.32	33.21	33.21	33.21	34.43	34.43	34.43	37.26	37.26	37.26
Hay (400 lb)	10.00	9.50	9.40	9.50	9.40	9.80	10.20	10.40	10.90	11.40
Total feed costs	145.23	141.10	132.83	133.34	138.86	144.10	150.42	155.34	160.82	162.55
Labor (4 hours)	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72
Management (1 hr.) 2/	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86
Vet Medicine 3/	5.25	5.30	5.30	5.30	5.36	5.36	5.44	5.35	5.35	5.35
Interest on purchase (6 months)	24.20	25.15	26.20	26.90	25.92	26.76	26.56	28.61	28.11	28.68
Power, equip., fuel, shelter, deprec. 3/	24.46	25.12	25.12	25.12	25.38	25.38	25.38	24.94	24.94	24.94
Death loss (1% of purchase)	4.44	4.57	4.76	4.89	4.62	4.77	4.73	5.10	5.01	5.11
Transportation (100 miles)	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31
Marketing expenses	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Miscellaneous and indirect costs 3/	10.58	10.86	10.86	10.86	10.98	10.98	10.98	10.79	10.79	10.79
Total	692.67	703.91	715.96	730.02	707.73	728.96	731.43	774.65	770.54	783.15
Selling price required to cover: (\$/cwt)										
Feed and feeder cost (1050 lb)	56.12	56.98	58.01	59.27	57.23	59.15	59.41	63.37	63.03	64.17
All costs (1050 lb)	65.97	66.98	68.13	69.46	67.31	69.34	69.57	73.78	73.38	74.59
Feed cost per 100 lb gain (450 lb)	32.27	31.36	29.52	29.63	30.86	32.02	33.43	34.52	35.74	36.12
Choice steers, Omaha (900-1100 lb)	63.93	65.00	68.31	71.53						
Net margin	-2.04	-1.98	.18	2.07						
Prices:										
Feeder steer, Choice (600-700 lb) \$/cwt										
Kansas City \$/cwt	74.00	76.20	79.38	81.50	77.00	79.50	78.90	85.00	83.50	85.20
Corn \$/bu 4/	1.68	1.59	1.44	1.45	1.53	1.61	1.71	1.74	1.82	1.83
Hay \$/ton 4/	50.00	47.50	47.00	47.50	47.00	49.00	51.00	52.00	54.50	57.00
Corn silage \$/ton 5/	16.65	15.79	14.96	15.06	15.41	16.14	16.97	17.28	18.09	18.56
Protein supplement (32-36%) \$/cwt	11.60	12.30	12.30	12.30	12.75	12.75	12.75	13.80	13.80	13.80
Farm labor \$/hour	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93
Interest rate, annual	10.90	11.00	11.00	11.00	11.22	11.22	11.22	11.22	11.22	11.22
Transportation rate \$/cwt. per 100 mile	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Mktg. expenses \$/cwt 8/	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Index of prices paid by farmers (1910-14=100)	1116	1128	1128	1128	1132	1132	1132	1138	1138	1138

1/ Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individuals for management, production, and locality of operation. 2/ Assumes 1 hour at twice the labor rate. 3/ Adjusted quarterly by the index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. 4/ Average price received by farmers in IA and IL. 5/ Price derived from an equivalent price of 5 bushels corn and 330 lb hay. 6/ Average price paid by farmers in IA and IL. 7/ Converted from cents/mile for a 44,000-lb haul. 8/ Yardage plus commission fees at a Midwest terminal market.

Table 43--Imports of feeder cattle and calves and hogs from Canada and Mexico

Year	Feeder cattle and calves		Hogs
	Canada	Mexico	Canada
Number			
1986			
Jan.	23,604	142,416	70,480
Feb.	27,346	75,302	47,021
Mar.	24,181	77,763	29,067
Apr.	20,536	54,507	33,260
May	21,734	102,787	25,128
June	18,511	41,353	38,926
July	25,485	53,808	81,333
Aug.	18,084	35,650	51,789
Sept.	16,122	20,333	41,133
Oct.	9,404	11,957	32,937
Nov.	13,938	203,827	21,013
Dec.	8,593	336,228	31,628
Total	227,538	1,155,931	503,715
1987			
Jan.	13,615	108,916	48,558
Feb.	19,154	131,631	20,745
Mar.	21,513	134,011	32,206
Apr.	28,569	92,943	47,763
May	27,497	46,567	31,270
June	35,431	95,977	35,143
July	14,568	28,333	40,183
Aug.	13,461	3,419	34,300
Sept.	11,138	12	37,560
Oct.	17,638	0	35,499
Nov.	20,549	4,950	31,787
Dec.	21,577	288,173	50,849
Total	244,710	934,932	445,863
1985			
Jan.	28,013	304,053	58,942
Feb.	29,193	233,635	43,759

Table 44--Beef, Choice Yield Grade 3: Retail, carcass, and farm values, spreads, and farmers' share

Year	Retail price 1/	Gross carcass value 2/	By-product allowance 3/	Net carcass value 4/	Gross farm value 5/	By-product allowance 6/	Net farm value 7/	Farm retail-spread			
								Total	Carcass-retail	Farm-carcass	Farmers' share 8/
Cents per pound								Percent			
1982	242.5	152.8	2.1	150.7	155.5	15.0	140.5	102.0	91.8	10.2	58
1983	238.1	147.4	2.0	145.4	151.8	15.6	136.2	101.9	92.7	9.2	57
1984	239.6	150.6	3.0	147.6	158.6	18.6	140.0	99.6	92.0	7.6	58
1985	232.6	137.0	1.8	135.2	142.2	15.4	126.8	105.8	97.4	8.4	55
1986	230.7	134.3	1.2	133.1	140.0	15.6	124.4	106.3	97.6	8.7	54
1987	242.5	146.7	1.4	145.3	157.6	19.7	137.9	104.6	97.2	7.4	57
I	234.6	138.4	1.4	137.0	147.9	17.6	130.3	104.3	97.6	6.7	56
II	243.2	157.6	1.5	156.1	167.8	20.0	147.8	95.4	87.1	8.3	61
III	246.4	146.9	1.4	145.5	157.8	20.1	137.7	108.7	100.9	7.8	56
IV	245.9	144.2	1.5	142.7	156.9	21.0	135.9	110.0	103.2	6.8	55
1988											
Jan.	242.9	146.5	1.8	144.7	158.8	22.2	136.6	106.3	98.2	8.1	56
Feb.	246.3	149.9	1.7	148.3	166.0	22.8	143.2	103.1	98.0	5.1	58
Mar.	248.5	155.8	1.8	154.0	173.1	24.5	148.6	99.9	94.5	5.5	60
I	245.9	150.7	1.7	149.0	166.0	23.2	142.8	103.1	96.9	6.2	58

1/ Estimated weighted-average of BLS prices of retail cuts from Choice Yield Grade 3 carcass. 2/ Value of carcass-quantity equivalent to 1 lb of retail cuts. A wholesale-carcass equivalent of 1.476 is used. 3/ Portion of gross carcass value attributed to fat and bone trim. 4/ Gross carcass value minus carcass by-product allowance. 5/ Market value to producer for 2.4 lb of live animal, equivalent to 1 lb of retail cuts. 6/ Portion of gross farm value attributed to edible and inedible by-products. 7/ Gross farm value minus farm by-product allowance. 8/ Percent net farm value is of retail price.

SHEEP AND LAMBS

USDA's Animal Plant Health and Inspection Service (APHIS) has suspended the importation of live lambs into Portland, Oregon. This suspension, effective on March 2, 1988, was in order to rewrite regulations on importation of live lambs into a private facility. The proposed regulations were published in the Federal Register, and were open for a 30-day comment period, after which time APHIS was to study the comments and issue new regulations. At this time the new regulations have not been issued. The approximately 9,000 live lambs that arrived from New Zealand in February have been released for slaughter and into feedlots.

Lamb and mutton production in first-quarter 1988 was 85 million pounds, up about 12 percent from first-quarter 1987. Part of the reason for the large increase was that the religious holidays fell 3 weeks earlier in 1987, pushing the slaughter for the holidays into the first quarter. Second-quarter production is expected to be 78 million pounds, up 4 percent from the same period last year. Production in third and fourth quarter is expected to be about 80 and 83 million pounds, respectively. This brings the yearly total to

Table 45--Commercial sheep and lamb slaughter 1/
and production

Year	Lambs	Sheep	Total	Dressed weight	Production
	1,000 head			Pounds	Mill lb
1986					
I	1,438	72	1,510	60	90
II	1,246	97	1,343	58	78
III	1,324	80	1,404	58	81
IV	1,306	72	1,378	60	82
Year	5,314	321	5,635	59	331
1987					
I	1,213	57	1,270	60	76
II	1,211	79	1,290	58	75
III	1,241	75	1,316	59	77
IV	1,253	70	1,323	61	81
Year	4,918	281	5,199	59	309
1988					
I	1,292	62	1,354	63	85

1/ Classes estimated.

about 326 million pounds, up about 6 percent from 1987.

Prices for slaughter lambs at San Angelo were around \$81 for the first, quarter and are expected to average about the same in the second quarter. The expected prices for the third and fourth quarters are \$69 to \$75 and \$68 to \$74, respectively.

Table 46--Consumer Price Indexes for meat, poultry, fish, and eggs

Year	Indexes					Percent of meat, poultry, fish, and eggs index			
	Meat, poultry, fish, & eggs	Beef & veal	Pork	Poultry	Eggs	Beef & veal	Pork	Poultry	Eggs
1982-84=100					Percent				
1970	44.6	43.5	45.4	53.2	65.6	98	102	119	147
1971	44.1	45.5	41.1	53.5	56.6	103	93	121	128
1972	48.0	49.7	47.6	54.2	56.2	104	99	113	117
1973	60.9	59.6	63.3	76.0	83.6	98	104	122	137
1974	62.2	61.3	63.0	72.1	83.9	99	101	116	135
1975	67.0	61.9	77.1	79.7	82.4	92	115	119	123
1976	68.0	59.9	78.1	76.4	90.0	88	115	112	132
1977	67.4	59.5	73.9	76.9	87.1	88	110	114	129
1978	77.6	73.1	83.4	84.9	82.4	94	107	109	106
1979	89.0	93.1	84.7	89.1	90.2	105	95	100	101
1980	92.0	98.4	81.9	93.7	88.6	107	89	102	96
1981	96.0	99.2	89.5	97.5	95.9	103	93	102	100
1982	99.6	100.6	101.0	95.8	93.3	101	101	96	94
1983	99.2	99.1	100.1	97.0	97.7	100	101	98	98
1984	101.3	100.3	98.8	107.3	109.1	99	98	106	108
1985	100.1	98.2	99.1	106.2	91.0	98	99	106	91
1986									
Jan.	103.2	100.3	101.5	107.1	101.5	100	98	104	98
Feb.	102.0	99.1	100.6	107.3	97.4	97	99	105	95
Mar.	101.7	98.7	99.2	107.1	99.6	97	98	105	98
Apr.	100.4	96.8	97.8	105.9	98.5	96	97	105	98
May	100.1	96.4	97.9	107.4	90.7	96	98	107	91
June	100.7	96.4	100.6	109.8	87.1	96	100	109	86
July	104.4	97.4	108.8	118.0	91.4	93	104	113	88
Aug.	107.5	98.6	114.5	125.2	100.7	92	107	116	94
Sept.	108.2	99.1	117.5	122.2	97.1	92	109	113	90
Oct.	108.2	99.6	116.7	121.7	97.2	92	108	112	90
Nov.	108.8	101.0	115.7	120.4	102.2	93	106	111	94
Dec.	109.1	101.7	115.2	118.8	103.7	93	106	109	95
Year	104.5	98.7	107.1	114.2	97.2	94	102	109	93
1987									
Jan.	109.9	102.9	115.1	117.0	100.8	94	105	106	92
Feb.	108.8	102.2	113.5	116.4	97.8	94	104	107	90
Mar.	108.9	102.9	112.4	114.9	93.9	94	103	106	86
Apr.	108.6	104.0	113.4	91.1	91.1	96	102	104	84
May	109.6	106.5	113.3	113.2	88.5	97	103	103	81
June	110.4	108.3	116.6	112.1	84.1	98	106	102	76
July	111.4	108.4	119.7	111.0	87.8	97	107	100	79
Aug.	111.9	107.8	120.7	112.9	85.8	96	108	101	77
Sept.	112.7	107.4	121.1	112.5	97.6	95	107	100	87
Oct.	112.0	107.8	119.0	111.8	91.4	96	106	99	82
Nov.	111.2	108.6	115.5	107.9	93.9	98	104	97	84
Dec.	110.3	108.5	113.1	107.8	85.5	98	103	98	76
Year	110.5	106.3	116.0	112.6	91.5	96	105	102	83
1988									
Jan.	111.0	107.7	113.4	108.9	90.1	97	102	98	81
Feb.	110.6	108.5	112.3	108.4	85.5	98	102	98	77
Mar.	111.2	109.8	112.6	109.1	87.9	99	101	98	79

Table 47--Average retail price per pound of specified meat cuts

Year and item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Dollars												
Choice Beef:												
Ground chuck												
1987	1.69	1.65	1.68	1.70	1.70	1.71	1.71	1.72	1.72	1.71	1.74	1.75
1988	1.74	1.74	1.75									
Ground beef												
1987	1.30	1.27	1.28	1.29	1.32	1.30	1.31	1.32	1.32	1.33	1.35	1.32
1988	1.31	1.32	1.34									
Chuck roast, bone in												
1987	1.68	1.64	1.63	1.70	1.65	1.71	1.70	1.66	1.67	1.72	1.71	1.66
1988	1.64	1.74	1.69									
Round roast, boneless												
1987	2.54	2.47	2.49	2.45	2.59	2.56	2.50	2.51	2.57	2.58	2.58	2.56
1988	2.56	2.61	2.67									
Rib roast, bone in												
1987	3.44	3.44	3.37	3.29	3.48	3.64	3.69	3.67	3.60	3.63	3.64	3.57
1988	3.57	3.59	3.66									
Round steak, boneless												
1987	2.80	2.80	2.76	2.81	2.94	2.96	2.91	2.93	2.92	2.96	2.92	2.93
1988	2.88	2.94	2.94									
Sirloin steak, bone in												
1987	2.81	2.96	2.87	3.02	3.22	3.44	3.36	3.23	3.26	3.12	3.15	3.16
1988	2.99	3.04	3.12									
Chuck steak, bone in												
1987	1.71	1.65	1.64	1.69	1.59	1.62	1.62	1.61	1.61	1.61	1.62	1.62
1988	1.61	1.62	1.64									
T-Bone steak, bone in												
1987	3.86	3.79	3.83	4.01	4.33	4.64	4.77	4.45	4.37	4.31	4.29	4.27
1988	4.31	4.27	4.33									
Porterhouse steak, bone in												
1987	4.22	4.19	4.22	4.26	4.36	4.44	4.44	4.42	4.39	4.40	4.44	4.43
1988	4.40	4.43	4.48									
Pork:												
Bacon, sliced												
1987	2.12	2.09	2.10	2.08	2.11	2.13	2.23	2.28	2.28	2.19	2.07	2.02
1988	1.95	1.94	1.92									
Chops, center cut												
1987	2.72	2.70	2.64	2.74	2.78	2.97	3.01	3.00	2.98	2.92	2.74	2.67
1988	2.66	2.72	2.68									
Ham, rump or shank half												
1987	1.60	1.59	1.50	1.36	1.44	1.50	1.52	1.56	1.58	1.62	1.65	1.60
1988	1.63	1.57	1.60									
Sirloin roast, bone in												
1987	1.90	1.82	1.81	1.89	1.92	1.95	2.02	2.04	2.05	2.01	1.95	1.91
1988	1.92	1.90	1.90									
Shoulder picnic, bone in												
1987	1.15	1.10	1.06	1.03	1.08	1.03	1.11	1.14	1.16	1.19	1.16	1.16
1988	1.14	1.13	1.14									
Sausage, fresh, pork, loose												
1987	2.01	2.02	1.99	1.97	1.98	1.94	2.00	2.02	2.01	1.92	1.97	1.99
1988	2.05	1.97	1.99									
Miscellaneous cuts:												
Ham, canned, 3 or 5 lb												
1987	2.84	2.85	2.83	2.77	2.74	2.76	2.83	2.84	2.83	2.85	2.78	2.72
1988	2.77	2.75	2.71									
Frankfurters, all meat												
1987	1.98	1.99	1.96	1.98	1.96	2.00	1.91	2.01	1.98	2.04	2.04	2.02
1988	2.02	2.04	2.05									
Bologna												
1987	2.22	2.17	2.19	2.15	2.14	2.15	2.21	2.21	2.21	2.20	2.21	2.24
1988	2.24	2.23	2.23									
Beef liver												
1987	1.02	1.00	1.03	1.02	1.04	1.03	1.03	1.03	1.03	1.05	1.02	1.03
1988	1.01	1.01	1.02									

Table 48--Red meat supply and utilization, carcass and retail weight 1/

Year	Production		Begin- ning stocks	Im- ports	Total supply	Ex- ports	Ship- ments	Ending stocks	Total disap- pearance	Per capita		Popul- ation
	Commer- cial	Farm								Carcass weight	Retail weight	
Million pounds												
Pounds												
Million												
Beef:												
1986												
I	5,769	55	420	502	6,745	102	13	395	6,236	25.9	18.9	240.7
II	6,246	24	395	482	7,147	83	12	427	6,626	27.5	20.1	241.2
III	6,273	24	427	640	7,364	144	14	385	6,820	28.2	20.6	241.8
IV	5,925	55	385	505	6,871	193	13	412	6,253	25.8	18.8	242.4
Year	24,213	158	420	2,129	26,920	521	52	412	25,935	107.4	78.4	241.6
1987												
I	5,754	56	412	543	6,765	127	14	411	6,213	25.6	18.7	242.9
II	5,737	25	411	627	6,800	136	13	337	6,315	25.9	18.9	243.4
III	6,064	24	337	681	7,106	159	14	381	6,552	26.9	19.6	243.9
IV	5,850	56	381	418	6,705	183	12	386	6,125	25.1	18.3	244.5
Year	23,405	161	412	2,269	26,247	604	52	386	25,205	103.4	75.5	243.8
1988 2/												
I	5,696	56	386	615	6,753	15	145	419	6,174	25.2	18.4	245.2
Year	22,746	161	386	2,300	25,593	60	530	435	24,568	99.9	72.9	246.0
Pork:												
1986												
I	3,570	23	289	279	4,162	16	33	330	3,783	15.7	14.8	240.7
II	3,568	10	330	247	4,154	28	30	315	3,781	15.7	14.8	241.2
III	3,237	9	315	282	3,843	15	28	244	3,557	14.7	13.9	241.8
IV	3,623	23	244	314	4,204	27	41	248	3,887	16.0	15.1	242.4
Year	13,998	65	289	1,122	15,474	86	132	248	15,008	62.1	58.6	241.6
1987												
I	3,540	22	248	290	4,100	19	31	289	3,762	15.5	14.6	242.9
II	3,327	9	289	296	3,921	27	28	245	3,620	14.9	14.1	243.4
III	3,384	9	245	299	3,938	21	33	244	3,639	14.9	14.1	243.9
IV	4,061	22	244	310	4,637	42	32	347	4,216	17.2	16.4	244.5
Year	14,312	62	248	1,195	15,817	109	124	347	15,237	62.5	59.2	243.8
1988 2/												
I	3,788	22	347	335	4,492	35	25	420	4,012	16.4	15.4	245.2
Year	15,138	62	347	1,300	16,847	140	120	330	16,257	66.1	62.1	246.0
Veal:												
1986												
I	129	5	11	7	152	1	0	10	141	0.6	0.5	240.7
II	129	2	10	4	145	1	0	9	135	0.6	0.5	241.2
III	129	3	9	4	145	2	0	7	136	0.6	0.5	241.8
IV	122	5	7	12	146	1	0	7	137	0.6	0.5	242.4
Year	509	15	11	27	562	5	1	7	550	2.3	1.9	241.6
1987												
I	112	5	7	6	130	2	0	6	122	0.5	0.4	242.9
II	101	1	6	4	112	2	0	4	106	0.4	0.4	243.4
III	99	2	4	6	111	1	0	4	107	0.4	0.4	243.9
IV	104	5	4	8	121	2	0	4	115	0.5	0.4	244.5
Year	416	13	7	24	460	7	1	4	449	1.8	1.5	243.8
1988 2/												
I	97	5	4	8	114	2	0	5	107	0.4	0.4	245.2
Year	397	13	4	27	441	5	1	5	430	1.7	1.5	246.0
Lamb and Mutton:												
1986												
I	90	3	13	10	116	1	1	12	103	0.4	0.4	240.7
II	78	1	12	11	102	0	0	14	87	0.4	0.3	241.2
III	81	1	14	8	104	1	1	14	89	0.4	0.3	241.8
IV	82	2	14	12	110	0	0	13	96	0.4	0.4	242.4
Year	331	7	13	41	392	2	2	13	375	1.6	1.4	241.6
1987												
I	76	2	13	13	104	0	1	14	89	0.4	0.3	242.9
II	75	1	14	12	101	0	1	12	88	0.4	0.3	243.4
III	77	1	12	9	99	0	1	7	91	0.4	0.3	243.9
IV	81	2	7	11	101	0	0	8	92	0.4	0.3	244.5
Year	309	6	13	44	372	1	2	8	360	1.5	1.3	243.8
1988 2/												
I	85	2	8	17	112	0	0	7	105	0.4	0.4	245.2
Year	326	6	8	53	393	2	1	9	381	1.5	1.4	246.0

Table 48--Red meat supply and utilization, carcass and retail weight 1/ (cont'd)

Year	Production		Begin- ning stocks	Im- ports	Total supply	Ex- ports	Ship- ments	Ending stocks	Total disap- pearance	Per capita		Popul- ation
	Commer- cial	Farm								Carcass weight	Retail weight	
Total red meat:												
1986	Million pounds								Pounds		Million	
I	9,558	86	733	799	11,176	119	47	746	10,264	42.6	34.6	240.7
II	10,021	37	746	743	11,547	112	42	765	10,628	44.1	35.6	241.2
III	9,720	37	765	934	11,456	160	43	650	10,602	43.9	35.2	241.8
IV	9,752	85	650	843	11,330	222	55	680	10,374	42.8	34.8	242.4
Year	39,051	245	733	3,319	43,349	613	187	680	41,868	173.3	140.2	241.6
1987	Million pounds								Pounds		Million	
I	9,482	85	680	851	11,098	148	45	719	10,186	41.9	34.1	242.9
II	9,240	36	719	939	10,934	165	42	599	10,128	41.6	33.7	243.4
III	9,624	36	599	995	11,254	182	48	635	10,389	42.6	34.4	243.9
IV	10,096	85	635	748	11,564	227	45	745	10,548	43.1	35.4	244.5
Year	38,442	242	680	3,533	42,897	722	179	745	41,251	169.2	137.5	243.8
1988 2/	Million pounds								Pounds		Million	
I	9,666	85	745	975	11,471	172	50	851	10,398	42.4	34.6	245.2
Year	38,607	242	745	3,680	43,274	657	202	779	41,636	169.2	137.9	246.0

Table 49 --Poultry supply and utilization

Year	Slaughter			Begin- ning stocks	Total supply	Ex- ports	Ship- ments	Ending stocks	Total disap- pearance	Per capita Retail weight	Popul- ation	
	Feder- ally Inspected	Other	Total									
Million pounds												
Young chicken:											Pounds	Million
1986												
I	3,414	5	3,419	27	3,446	121	36	24	3,265	13.6	240.7	
II	3,673	14	3,687	24	3,711	135	34	23	3,519	14.6	241.2	
III	3,620	14	3,635	23	3,658	132	42	25	3,459	14.3	241.7	
IV	3,558	16	3,575	25	3,600	178	38	24	3,360	13.9	242.4	
Year	14,266	50	14,316	27	14,342	566	149	24	13,603	56.3	241.5	
1987												
I	3,735	27	3,762	24	3,786	142	39	25	3,579	14.7	242.9	
II	3,907	26	3,933	25	3,958	198	32	24	3,704	15.2	243.4	
III	3,966	17	3,984	24	4,008	223	40	28	3,717	15.2	243.9	
IV	3,895	21	3,916	28	3,944	188	40	25	3,691	15.1	244.4	
Year	15,502	92	15,594	24	15,618	752	151	25	14,691	60.3	243.7	
1988 2/												
I	4,000	28	4,028	25	4,052			35			245.2	
Year	16,275	57	16,332	25	16,357	770	140	25	15,422	62.7	245.9	
Other chicken:												
1986												
I	136	25	161	144	306	3	1	161	141	0.6	240.7	
II	146	27	173	161	333	4	1	157	172	0.7	241.2	
III	125	22	148	157	305	4	1	147	152	0.6	241.7	
IV	123	22	145	147	293	5	1	163	125	0.5	242.4	
Year	531	97	627	144	771	16	3	163	589	2.4	241.5	
1987												
I	133	24	157	163	320	5	1	172	143	0.6	242.9	
II	155	28	183	172	355	6	1	182	167	0.7	243.4	
III	129	23	152	182	333	3	0	166	165	0.7	243.9	
IV	135	24	158	166	324	2	1	188	133	0.5	244.4	
Year	552	98	650	163	814	15	2	188	608	2.5	243.7	
1988 2/												
I	152	27	180	188	368			196			245.2	
Year	572	106	678	188	866	30	4	160	672	2.7	245.9	
Total chicken:												
1986												
I	3,550	30	3,581	171	3,651	124	37	184	3,406	14.2	240.7	
II	3,819	41	3,860	184	4,044	139	35	180	3,690	15.3	241.2	
III	3,746	37	3,782	180	3,963	136	42	172	3,612	14.9	241.7	
IV	3,681	39	3,720	172	3,893	183	38	187	3,484	14.4	242.4	
Year	14,796	147	14,943	171	15,114	582	152	187	14,193	58.7	241.5	
1987												
I	3,868	51	3,919	187	4,106	147	40	197	3,722	15.3	242.9	
II	4,062	54	4,116	197	4,313	204	32	206	3,871	15.9	243.4	
III	4,095	41	4,135	206	4,341	226	40	194	3,881	15.9	243.9	
IV	4,030	44	4,074	194	4,268	191	41	213	3,824	15.6	244.4	
Year	16,054	190	16,245	187	16,432	767	153	213	15,298	62.8	243.7	
1988 2/												
I	4,152	55	4,191	213	4,404			231			245.2	
Year	16,847	163	17,010	213	17,223	800	144	185	16,094	65.4	245.9	
Turkey:												
1986												
I	556	25	581	150	731	5	0	151	576	2.4	240.7	
II	717	33	750	151	901	5	0	298	598	2.5	241.2	
III	938	43	982	298	1,280	7	1	512	760	3.1	241.7	
IV	921	37	958	512	1,470	10	3	178	1,279	5.3	242.4	
Year	3,133	138	3,271	150	3,422	27	4	178	3,212	13.3	241.5	
1987												
I	670	19	689	178	867	6	0	226	635	2.6	242.9	
II	865	26	891	226	1,117	7	0	382	728	3.0	243.4	
III	1,100	32	1,132	382	1,514	7	0	641	866	3.5	243.9	
IV	1,082	34	1,116	641	1,756	13	3	282	1,458	6.0	244.4	
Year	3,717	111	3,828	178	4,006	33	4	282	3,686	15.1	243.7	
1988 2/												
I	835	24	859	282	1,142			353			245.2	
Year	4,060	166	4,226	282	4,508	43	4	250	4,211	17.1	245.9	

Table 49--Poultry supply and utilization (cont'd)

Year	Slaughter			Begin- ning stocks	Total supply	Ex- ports	Ship- ments	Ending stocks	Total disap- pearance	Per capita Retail weight	Popul- ation		
	Feder- ally Inspected	Other	Total										
Million pounds												Pounds	Million
Total Poultry: 1986													
I	4,107	55	4,162	321	4,483	129	37	335	3,982	16.5	240.7		
II	4,536	74	4,610	335	4,945	144	35	478	4,288	17.8	241.2		
III	4,684	80	4,764	478	5,242	143	43	684	4,372	18.1	241.7		
IV	4,603	76	4,679	684	5,362	193	41	365	4,763	19.6	242.4		
Year	17,929	285	18,215	321	18,535	609	156	365	17,405	72.0	241.5		
1987													
I	4,538	70	4,608	365	4,973	153	40	423	4,357	17.9	242.9		
II	4,927	80	5,007	423	5,430	211	32	588	4,599	18.9	243.4		
III	5,195	73	5,268	588	5,855	232	41	835	4,747	19.5	243.9		
IV	5,112	78	5,190	835	6,025	204	44	495	5,282	21.6	244.4		
Year	19,772	301	20,072	365	20,437	800	157	495	18,985	77.9	243.7		
1988 2/													
I	4,988	79	5,051	495	5,546			584			245.2		
Year	20,907	329	21,236	495	21,731	843	148	435	20,305	82.5	245.9		

Table 50--Total red meat and poultry supply and utilization, carcass and retail weight 1/

Year	Total produc- tion	Begin- ning stocks	Im- ports	Total supply	Ex- ports	Ship- ments	Ending stocks	Total disap- pearance	Per capita		Population
									Carcass weight	Retail weight	
<hr/>											
Total red meat and poultry:								Million pounds	Pounds	Million	
1986											
I	13,806	1,054	799	15,658	248	84	1,081	14,245	59.2	51.1	240.7
II	14,668	1,081	743	16,492	256	77	1,243	14,916	61.8	53.4	241.2
III	14,521	1,243	934	16,698	304	86	1,334	14,975	61.9	53.3	241.8
IV	14,516	1,334	843	16,693	415	96	1,044	15,137	62.4	54.4	242.4
Year	57,511	1,054	3,319	61,884	1,223	343	1,044	59,273	245.3	212.2	241.6
1987											
I	14,175	1,045	852	16,072	301	86	1,142	14,542	59.9	52.0	242.9
II	14,283	1,142	940	16,364	376	74	1,187	14,728	60.5	52.6	243.4
III	14,928	1,187	995	17,109	414	88	1,470	15,136	62.0	53.9	243.9
IV	15,371	1,470	749	17,589	431	88	1,240	15,830	64.7	57.0	244.5
Year	58,756	1,045	3,533	63,334	1,522	336	1,240	60,236	247.1	215.3	243.8
1988 2/											
Year	60,085	1,240	3,680	65,005	1,500	350	1,214	61,941	251.7	220.4	246.0

Table 51--Selected price statistics for meat animals and meat, 1987-88

Item	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Dollars per cwt											
Slaughter Steers:											
Omaha											
Choice, 1000-1100 lb	70.66	68.83	65.80	64.50	64.81	64.81	64.20	63.93	65.00	68.31	71.53
Select, 1000-1100 lb	62.62	61.27	58.40	58.21	59.38	59.90	59.50	59.25	63.14	65.84	69.12
California											
Choice, 1000-1100 lb	70.47	69.06	65.80	66.38	66.90	65.94	65.88	65.15	65.58	69.00	71.05
Colorado											
Choice, 1000-1100 lb	71.95	70.01	65.74	65.16	66.41	66.94	66.87	65.48	66.48	70.08	71.52
Texas											
Choice, 1000-1100 lb	71.80	69.96	65.70	65.12	66.46	67.00	67.09	66.12	67.30	70.53	72.29
Slaughter heifers:											
Omaha											
Choice, 1100-1200 lb	70.12	69.42	65.69	64.19	64.31	64.43	63.79	63.63	65.07	68.05	71.19
Select, 900-1000 lb	64.86	63.42	61.12	60.58	61.08	61.13	60.63	60.22	62.13	64.71	67.48
Cows:											
Omaha											
Commercial	44.05	43.31	45.25	46.97	47.83	46.25	44.56	46.20	45.09	46.16	47.30
Breaking Utility	44.36	44.72	45.64	46.35	47.62	46.41	44.83	46.69	45.90	47.32	48.43
Boning Utility	37.95	38.17	40.36	41.23	41.79	40.25	38.97	41.30	47.83	49.55	49.83
Canner	37.95	38.25	40.36	41.23	41.79	40.25	38.97	41.30	42.28	44.10	43.28
Cutter	42.85	43.14	44.60	45.30	45.42	44.52	42.93	45.31	46.52	48.91	48.50
Vealers:											
Choice, So. St. Paul	90.00	90.63	77.50	79.22	80.25	82.50	82.50	83.00	86.88	87.50	87.50
Feeder steers: 1/											
Kansas City											
Medium No. 1,											
400-500 lb	83.06	84.33	87.33	88.13	92.40	87.75	89.33	87.30	94.25	97.83	99.20
600-700 lb	73.38	74.00	76.20	79.38	81.50	77.00	79.50	78.90	85.00	83.53	85.20
All weights and grades	70.53	70.21	71.22	75.31	77.10	73.21	74.92	73.69	80.26	81.64	83.12
Okla. City											
Medium No. 1											
400-500 lb	85.96	86.44	90.14	93.58	98.63	93.38	95.05	95.69	96.96	104.42	101.70
600-700	73.40	75.50	78.66	81.34	83.45	79.68	79.99	80.97	83.73	85.99	85.63
700-800											
Amarillo											
Medium No. 1,											
600-700 lb	69.63	71.19	75.18	77.38	80.90	75.63	73.84	74.75	80.22	83.92	82.61
Georgia Auctions											
Medium No. 1,											
600-700 lb	67.25	69.25	70.13	72.75	75.60	70.63	72.13	71.67	77.75	81.75	82.60
Medium No. 2,											
400-500 lb	72.63	72.00	75.63	76.75	80.40	74.00	78.50	77.33	82.88	88.50	89.30
Feeder heifers:											
Medium No. 1,											
Kansas City											
400-500 lb	74.63	74.33	75.25	78.50	82.40	77.06	78.67	80.20	86.50	86.38	88.60
600-700 lb	67.63	68.25	70.40	75.00	74.00	72.81	74.83	74.20	76.00	77.35	78.10
Okla. City											
400-500 lb.	74.98	76.24	78.99	78.22	83.80	83.49	83.56	81.53	83.08	88.39	89.05
600-700 lb.	66.95	68.81	71.58	73.97	76.26	73.99	72.32	73.37	76.75	78.49	77.91
Slaughter hogs:											
Barrows and gilts											
Omaha No. 1 & 2,											
230-240 lb	55.81	60.82	62.20	60.62	55.29	49.20	42.07	42.71	46.41	48.55	43.93
All weights	55.39	60.70	61.72	60.50	54.63	48.97	40.57	41.35	44.61	46.78	42.62
Sioux City	55.79	61.37	62.69	60.56	55.19	49.28	40.74	41.56	44.59	48.50	43.19
7 markets 2/	55.58	61.08	61.85	60.35	54.72	48.75	40.65	41.14	44.43	47.01	42.79
Sows:											
7 markets 2/	46.26	46.35	48.09	49.76	49.72	44.87	35.12	32.96	34.18	36.98	35.03
Feeder pigs:											
No. 1 & 2, So. Mo.,											
40-50 lb (per hd.)	51.66	45.89	45.60	48.05	47.28	41.53	36.56	31.74	37.47	44.80	48.65

Continued--

Table 51--Selected price statistics for meat animals and meat, 1987-88--Continued

Item	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Dollars per cwt											
Slaughter lambs:											
Choice, San Angelo	94.50	84.83	76.83	71.83	70.05	66.25	65.00	73.83	83.53	77.25	83.75
Choice, So. St. Paul	87.73	80.45	72.34	71.65	66.86	65.23	66.30	74.49	83.88	80.18	76.40
Ewes, Good,											
San Angelo	36.25	34.62	36.62	38.67	39.81	37.12	37.83	39.88	43.19	38.25	41.17
So. St. Paul	20.50	19.85	19.50	19.95	21.10	22.00	22.00	22.00	25.00	22.25	18.98
Feeder lambs:											
Choice, San Angelo	112.62	94.56	98.75	96.75	102.55	102.00	99.50	105.83	113.63	112.63	111.30
Choice, So. St. Paul	92.10	90.40	84.49	85.00	88.00	93.00	95.63	102.08	111.00	108.63	102.50
Farm prices:											
Beef cattle	63.00	62.50	61.10	61.90	63.70	62.90	62.00	62.20	65.10	67.40	68.30
Calves	77.30	78.80	80.30	82.30	85.90	81.40	82.90	83.10	86.20	92.60	93.50
Hogs	54.40	60.30	59.60	58.60	54.30	48.90	40.60	40.30	42.70	45.80	42.20
Sheep	28.30	25.70	28.50	32.00	32.50	31.50	30.90	33.10	33.60	30.10	29.70
Lambs	90.10	83.50	78.70	76.10	76.80	71.90	65.70	72.80	81.80	80.40	80.20
Meat prices:											
Wholesale											
Central U.S. markets											
Steer beef, Choice,											
600-700 lb	107.80	105.71	99.29	95.45	96.87	96.77	95.34	94.50	97.15	99.50	103.47
Heifer beef, Choice											
500-600 lb	107.55	104.73	98.18	94.04	96.15	96.03	94.16	93.73	96.60	98.98	103.19
Cow beef, Canner											
and Cutter	82.05	84.15	84.51	85.63	86.82	83.80	83.41	88.45	88.98	92.18	90.33
Boxed beef											
cut-out value											
Pork loins,											
14-18 lb 4/	120.77	124.38	121.73	123.50	122.66	103.49	80.35	84.70	102.43	94.93	87.82
Pork bellies,											
12-14 lb	67.21	78.44	83.62	80.46	59.74	49.39	45.86	42.60	51.82	48.40	45.32
Hams, skinned,											
14-17 lb	70.98	78.91	79.93	86.15	93.58	97.81	96.36	91.98	66.70	76.67	78.35
Pork cut-out value											
East Coast:											
Lamb, Choice and											
Prime, 35-45 lb	179.00	165.00	152.00	146.25	144.50	145.69	145.38	153.30	161.88	165.00	167.03
55-65 lb	173.00	162.00	148.25	141.00	137.60	134.56	129.56	144.90	156.88	151.25	153.37
West Coast:											
Steer beef, Choice,											
600-700 lb	108.75	109.44	106.00	nq	103.00	101.33	nq	nq	nq	nq	nq
Cents per lb											
Retail Prices:											
Beef											
Choice	243.4	249.4	248.2	245.4	245.5	245.7	246.6	245.3	242.9	246.3	248.5
All Fresh	212.8	214.4	213.9	213.9	213.1	214.5	217.7	218.6	213.9	217.6	220.0
Pork	183.7	187.6	193.6	196.2	196.9	194.4	189.2	185.6	185.3	183.1	183.3
1982-84=100											
Price indexes: (BLS)											
Retail meats	108.7	110.6	111.7	112.1	112.0	111.8	111.1	110.4	110.1	110.2	109.8
Beef and veal	106.5	108.3	108.4	107.8	107.4	107.8	108.6	108.5	107.7	108.5	109.8
Pork	113.3	116.6	119.7	120.7	121.1	119.0	115.5	113.1	113.4	112.3	112.6
Other meats	108.3	108.8	109.3	111.5	112.3	112.2	112.2	112.1	112.1	112.3	112.0
Poultry	113.2	112.1	111.0	112.9	112.5	111.8	107.9	107.8	108.9	108.4	109.1
Livestock-feed ratios,											
Omaha: 3/											
Steer-corn	40.1	38.8	41.0	44.0	42.8	41.2	38.4	36.7	36.4	37.4	38.4
Hog-corn	31.6	34.3	38.4	41.3	36.3	31.0	24.3	23.8	25.0	25.7	23.0

1/ Reflects new feeder cattle grades. 2/ St. Louis N.S.Y., Kansas City, Omaha, Sioux City, So. St. Joseph, So. St. Paul, and Indianapolis. 3/ Beef, Choice 2-3 550-700 lb. 4/ Prior to 1984, 8-14 lb; 1984 and 1985, 14-17 lb; 1986, 14-18 lb. 5/ U.S. #2, 175 lb carcass. 6/ Bushels of No. 2 yellow corn equivalent in value to 100 pounds live weight.

Table 51--Selected price statistics for meat animals and meat, 1987-88--Continued

Item	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Dollars per cwt											
Slaughter lambs:											
Choice, San Angelo	94.50	84.83	76.83	71.83	70.05	66.25	65.00	73.83	83.53	77.25	83.75
Choice, So. St. Paul	87.73	80.45	72.34	71.65	66.86	65.23	66.30	74.49	83.88	80.18	76.40
Ewes, Good,											
San Angelo	36.25	34.62	36.62	38.67	39.81	37.12	37.83	39.88	43.19	38.25	41.17
So. St. Paul	20.50	19.85	19.50	19.95	21.10	22.00	22.00	22.00	25.00	22.25	18.98
Feeder lambs:											
Choice, San Angelo	112.62	94.56	98.75	96.75	102.55	102.00	99.50	105.83	113.63	112.63	111.30
Choice, So. St. Paul	92.10	90.40	84.49	85.00	88.00	93.00	95.63	102.08	111.00	108.63	102.50
Farm prices:											
Beef cattle	63.00	62.50	61.10	61.90	63.70	62.90	62.00	62.20	65.10	67.40	68.30
Calves	77.30	78.80	80.30	82.30	85.90	81.40	82.90	83.10	86.20	92.60	93.50
Hogs	54.40	60.30	59.60	58.60	54.30	48.90	40.60	40.30	42.70	45.80	42.20
Sheep	28.30	25.70	28.50	32.00	32.50	31.50	30.90	33.10	33.60	30.10	29.70
Lambs	90.10	83.50	78.70	76.10	76.80	71.90	65.70	72.80	81.80	80.40	80.20
Meat prices:											
Wholesale											
Central U.S. markets											
Steer beef, Choice,											
600-700 lb	107.80	105.71	99.29	95.45	96.87	96.77	95.34	94.50	97.15	99.50	103.47
Heifer beef, Choice											
500-600 lb	107.55	104.73	98.18	94.04	96.15	96.03	94.16	93.73	96.60	98.98	103.19
Cow beef, Canner											
and Cutter	82.05	84.15	84.51	85.63	86.82	83.80	83.41	88.45	88.98	92.18	90.33
Boxed beef											
cut-out value											
Pork loins,											
14-18 lb 4/	120.77	124.38	121.73	123.50	122.66	103.49	80.35	84.70	102.43	94.93	87.82
Pork bellies,											
12-14 lb	67.21	78.44	83.62	80.46	59.74	49.39	45.86	42.60	51.82	48.40	45.32
Hams, skinned,											
14-17 lb	70.98	78.91	79.93	86.15	93.58	97.81	96.36	91.98	66.70	76.67	78.35
Pork cut-out value											
East Coast:											
Lamb, Choice and											
Prime, 35-45 lb	179.00	165.00	152.00	146.25	144.50	145.69	145.38	153.30	161.88	165.00	167.03
55-65 lb	173.00	162.00	148.25	141.00	137.60	134.56	129.56	144.90	156.88	151.25	153.37
West Coast:											
Steer beef, Choice,											
600-700 lb	108.75	109.44	106.00	nq	103.00	101.33	nq	nq	nq	nq	nq
Cents per lb											
Retail Prices:											
Beef											
Choice	243.4	249.4	248.2	245.4	245.5	245.7	246.6	245.3	242.9	246.3	248.5
All Fresh	212.8	214.4	213.9	213.9	213.1	214.5	217.7	218.6	213.9	217.6	220.0
Pork	183.7	187.6	193.6	196.2	196.9	194.4	189.2	185.6	185.3	183.1	183.3
1982-84=100											
Price indexes: (BLS)											
Retail meats	108.7	110.6	111.7	112.1	112.0	111.8	111.1	110.4	110.1	110.2	109.8
Beef and veal	106.5	108.3	108.4	107.8	107.4	107.8	108.6	108.5	107.7	108.5	109.8
Pork	113.3	116.6	119.7	120.7	121.1	119.0	115.5	113.1	113.4	112.3	112.6
Other meats	108.3	108.8	109.3	111.5	112.3	112.2	112.2	112.1	112.1	112.3	112.0
Poultry	113.2	112.1	111.0	112.9	112.5	111.8	107.9	107.8	108.9	108.4	109.1
Livestock-feed ratios,											
Omaha: 3/											
Steer-corn	40.1	38.8	41.0	44.0	42.8	41.2	38.4	36.7	36.4	37.4	38.4
Hog-corn	31.6	34.3	38.4	41.3	36.3	31.0	24.3	23.8	25.0	25.7	23.0

1/ Reflects new feeder cattle grades. 2/ St. Louis N.S.Y., Kansas City, Omaha, Sioux City, So. St. Joseph, So. St. Paul, and Indianapolis. 3/ Beef, Choice 2-3 550-700 lb. 4/ Prior to 1984, 8-14 lb; 1984 and 1985, 14-17 lb; 1986, 14-18 lb. 5/ U.S. #2, 175 lb carcass. 6/ Bushels of No. 2 yellow corn equivalent in value to 100 pounds live weight.

Table 52--Selected marketings, slaughter, stocks, and trade for meat animals and meat

Item	1987									1988		
	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1,000 head												
Federally inspected:												
Slaughter												
Cattle	2,875	2,780	2,945	3,009	2,972	2,977	3,024	2,640	2,793	2,832	2,679	2,813
Steers	1,474	1,392	1,482	1,517	1,451	1,381	1,460	1,260	1,373	1,419	1,360	1,394
Heifers	828	825	874	889	932	1,023	929	784	836	864	792	868
Cows	517	505	531	545	533	511	573	547	535	503	480	498
Bulls and stags	57	58	58	58	56	62	62	49	49	46	47	53
Calves	215	189	214	220	202	229	233	211	242	205	203	216
Sheep and lambs	477	363	407	411	400	459	446	399	439	380	408	535
Hogs	6,492	5,922	5,987	6,019	6,019	6,855	7,519	7,121	7,583	6,803	6,518	7,505
Percentage sows	4.0	4.2	5.3	5.6	5.4	4.7	4.0	3.9	3.8	4.2	4.4	4.0
Pounds												
Average live wt per head												
Cattle	1,097	1,091	1,089	1,096	1,103	1,118	1,123	1,126	1,128	1,123	1,122	1,120
Calves	243	255	251	238	227	237	241	233	231	239	250	242
Sheep and lambs	117	117	116	118	118	120	123	122	124	123	125	129
Hogs	247	247	248	246	244	246	249	252	250	248	247	247
Average dressed wt												
Beef	654	650	650	656	662	670	677	671	670	671	669	670
Veal	146	156	152	146	137	143	146	142	142	145	153	147
Lamb and mutton	59	59	58	59	59	61	62	62	62	62	63	66
Pork	176	177	177	176	175	175	177	180	179	179	178	178
Million pounds												
Production												
Beef	1,874	1,800	1,908	1,966	1,959	1,988	2,038	1,766	1,865	1,893	1,784	1,878
Veal	31	29	32	31	27	32	33	29	34	29	30	31
Lamb and mutton	28	21	23	24	23	28	27	25	27	23	26	35
Pork	1,141	1,044	1,058	1,055	1,048	1,199	1,329	1,278	1,352	1,214	1,156	1,331
1,000 head												
Commercial: 1/												
Slaughter												
Cattle	2,971	2,872	3,035	3,099	3,056	3,068	3,131	2,751	2,899	2,921	2,758	2,896
Calves	226	200	225	231	212	240	246	222	252	214	210	223
Sheep and Lambs	496	374	420	426	416	474	460	412	451	390	416	548
Hogs	6,667	6,084	6,160	6,188	6,180	7,027	7,700	7,321	7,813	6,977	6,682	7,680
Million pounds												
Production												
Beef	1,928	1,851	1,958	2,017	2,007	2,040	2,098	1,828	1,924	1,943	1,828	1,925
Veal	34	32	35	34	30	35	36	32	36	32	32	33
Lamb and mutton	29	22	24	25	24	28	28	25	28	24	26	35
Pork	1,170	1,071	1,086	1,082	1,075	1,227	1,359	1,312	1,390	1,244	1,183	1,360
Cold storage stocks: 2/												
Beef	312	280	253	279	269	287	308	304	289	312	328	313
Veal	6	5	4	4	4	4	4	5	4	5	5	5
Lamb and mutton	13	14	12	9	8	7	7	9	8	8	8	7
Pork	218	219	189	181	175	186	212	252	285	287	308	346
Total meat	591	560	499	516	496	523	576	614	623	656	693	716
Trade:												
Imports (carcass wt)												
Beef	199.4	189.6	238.1	252.5	215.1	213.3	188.5	133.9	96.0	275.4	190.9	
Veal	1.4	1.4	1.1	1.4	1.2	3.5	5.5	1.9	1.1	4.1	2.5	
Lamb and mutton	4.3	3.9	3.3	2.9	2.3	3.6	2.6	2.4	2.4	7.1	5.9	
Pork	102.7	90.1	103.4	101.7	97.1	100.6	111.3	102.5	96.0	89.7	104.9	
Exports (carcass wt)												
Beef	41.1	48.6	46.0	52.7	50.9	55.7	63.7	67.1	51.9	43.4	40.3	
Veal	.8	.5	.5	.4	.3	.4	.2	.7	1.0	.6	.8	
Lamb and mutton	.1	.1	.1	.1	.2	.1	.2	.1	.1	.1	.1	
Pork	9.2	9.6	8.3	6.8	5.7	8.6	12.2	16.5	13.5	8.1	7.8	

1/ Federally inspected and other commercial. 2/ End of month. Beginning January 1977, excludes beef and pork stocks in cooler.

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245 A BRIEF DESCRIPTION OF THE EGG PRODUCT SUBSECTOR

by Mark Weimar and Robert Bishop

Abstract: The egg product subsector is examined in brief. The growth of the industry from 1950 to 1987 along with a discussion of raw materials, intermediate products and final forms are presented. Prices and price determination are studied. Regional production of egg products is scrutinized and compared with regional production of shell eggs. Data transformation techniques are explained and a brief outlook for the subsector is provided.

Keywords: Processed eggs, egg products, table eggs, prices, supply, utilization, concentration ratios, regional production.

Egg products are an important and growing component of the overall egg industry. The egg products subsector prepares pasteurized liquid, frozen, and dried egg products, such as whole eggs, yolks, and blends, from shell eggs. These products are used primarily as raw materials in the food subsector and to a minor extent in nonfood manufacturing industries. The egg product industry will probably continue to grow because the Hotel, Restaurant, and Institutional (HRI) trade and convenience foods are among the fastest growing food subsectors.

This paper presents a brief overview of the egg products subsector in terms of its growth, product form, prices, regional production, structure, techniques used to estimate some of the data series, and outlook. The growth of the subsector as a proportion of the egg industry is the primary reason for updating the relatively scant information available. Because the subsector has changed since earlier studies, the basic components of the industry also need to be updated. In the first section, the product forms will be outlined. Both the types of eggs used for breaking and the resultant product will be described. In the next section, price determination and the prices reported by the USDA will be examined. Following this, the regional production of egg products will be compared with the regional production of eggs.

To complete the picture of the subsector, concentration will be examined. In addition, the underlying structure will be studied in terms of both horizontal and vertical

Table 1. Processing egg production by type

Year	Eggs broken	Liquid production from eggs broken			
		Total	Immediate cons.	Frozen	Used for drying
	1000 doz.		1000 pounds		
1950	532,550	701,368	20,115	354,148	322,400
1951	310,292	408,654	18,340	339,537	50,777
1952	290,572	382,683	18,404	320,352	43,638
1953	312,500	411,562	21,034	343,064	47,176
1954	353,782	465,931	31,031	361,184	73,716
1955	344,979	454,338	33,153	341,514	78,768
1956	353,059	464,979	33,111	349,085	82,659
1957	361,206	475,708	37,494	333,823	103,413
1958	365,799	481,757	31,334	350,886	98,578
1959	532,513	701,320	51,163	435,722	214,435
1960	442,267	582,466	44,025	362,366	176,075
1961	482,093	634,919	47,925	370,918	216,076
1962	481,977	634,764	55,473	381,683	197,608
1963	445,723	587,018	57,849	362,791	166,378
1964	500,350	658,961	68,105	381,606	209,250
1965	477,443	628,792	44,384	368,309	216,099
1966	471,821	621,392	40,310	356,440	224,642
1967	608,726	801,691	59,493	434,864	307,334
1968	513,858	676,751	62,966	360,606	253,179
1969	486,241	640,382	82,145	334,396	223,841
1970	567,869	747,883	109,783	357,318	280,782
1971	642,137	842,015	113,038	369,004	359,973
1972	628,560	833,358	111,375	371,962	350,020
1973	547,232	703,544	119,194	341,294	243,056
1974	624,609	778,117	144,842	359,885	273,390
1975	553,147	689,566	173,155	302,347	214,065
1976	591,909	733,906	193,572	307,267	233,068
1977	686,344	849,668	197,847	361,761	290,060
1978	686,024	837,799	206,685	345,914	285,200
1979	701,287	850,167	219,414	331,887	298,865
1980	728,747	859,381	215,877	330,294	313,210
1981	731,662	865,989	216,514	340,034	309,441
1982	732,707	863,869	225,420	334,592	303,857
1983	731,921	877,219	248,525	303,557	325,137
1984	768,927	912,685	273,094	329,013	310,578
1985	812,608	984,061	280,819	328,493	374,749
1986	857,441	952,284	282,992	342,199	327,093
1987	942,083	1,048,736	294,826	357,394	396,516

1/ Federal inspection of egg products began in 1971. Data prior to that period are not comparable to data after that period.

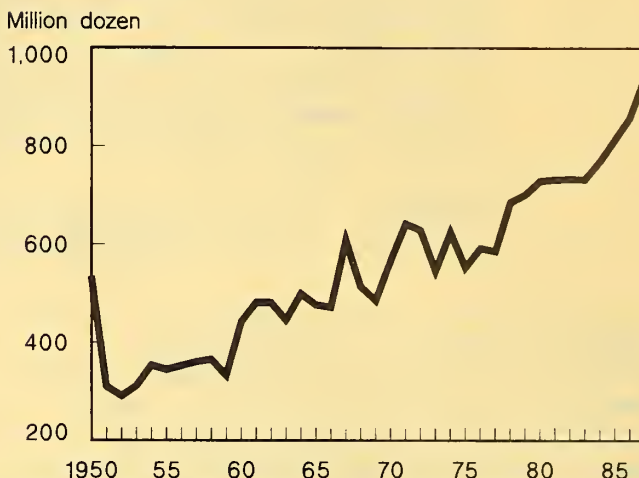
integration. Concentration ratios for egg products firms will be presented.

Some of the data presented in this paper were calculated. For those data that were derived from existing but nonconforming data sets, there is a short description of the transformations used in making the data series as similar as possible. A brief summary of the subsector and an outlook for its continued growth conclude the paper.

Growth in the egg product industry was relatively steady during 1950-87, with fairly strong growth registered in the past 4 years (table 1 presents industry data for 1950-1987). In 1950, 533 million dozen eggs were broken, a total unequaled until 1967. By 1952, eggs broken had declined to 290 million dozen, the lowest annual quantity in the 1950-87 period. Since then, the quantity of eggs broken has grown at a 3-percent annual

rate to a record 942 million dozen (figure 1). Since 1983 the annual rate of growth has doubled to more than 6 percent, and it increased to almost 11 percent between 1986 and 1987.

Figure 1
Eggs Broken



The large quantity of eggs broken in 1950 resulted in large measure from a general over-capacity in the shell egg industry, which was still adjusting to lower demand following World War II. It should be noted that USDA dried egg purchases (for price support and surplus removal programs) during 1950 totaled over 82 million pounds, the highest calendar year total ever (table 2).

Table 2. Government purchases of egg products

Year	USDA purchases			Military purchases		
	Dried 1/	Frozen whole	Shell 2/	Total	Shell eggs	Egg product
	1000 pounds			1000 dozen		
1933	---	---	4,698	NA	NA	NA
1934	---	---	4,699	NA	NA	NA
1935	---	---	---	NA	NA	NA
1936	---	---	943	NA	NA	NA
1937	---	---	15,038	NA	NA	NA
1938	---	---	1,828	NA	NA	NA
1939	---	---	8,033	NA	NA	NA
1940	---	---	69,519	NA	NA	NA
1941	---	---	6,169	62,000	NA	NA
1942	---	---	14,079	164,000	NA	NA
1943	---	---	571	382,000	NA	NA
1944	---	---	167,805	495,000	NA	NA
1945	---	---	0	583,000	NA	NA
1946	100	4,223	---	163,000	NA	NA
1947	46,408	61,320	---	77,000	NA	NA
1948	28,441	---	---	127,000	NA	NA
1949	68,808	---	---	62,000	NA	NA
1950	82,424	---	---	71,000	NA	NA
1951	---	---	---	155,000	NA	NA
1952	---	---	6,794	118,000	NA	NA
1953	---	---	---	117,000	NA	NA
1954	---	---	---	101,000	NA	NA
1955	---	---	---	91,000	NA	NA
1956	---	---	17,520	80,000	NA	NA
1957	4,748	---	9,420	83,000	NA	NA

Table 2. Government purchases of egg products (cont'd)

Year	USDA purchases			Military purchases		
	Dried 1/	Frozen whole	Shell 2/	Total	Shell eggs	Egg product
	1000 pounds			1000 dozen		
1958	4,162	---	---	72,000	NA	NA
1959	19,404	8,157	---	64,000	NA	NA
1960	19,048	---	---	62,594	59,675	2,919
1961	22,508	---	---	63,694	56,914	6,780
1962	13,014	---	---	70,043	64,737	5,306
1963	8,397	---	---	67,156	62,295	4,861
1964	15,768	---	---	76,247	72,516	3,731
1965	---	---	---	93,445	74,362	19,083
1966	---	---	---	101,673	94,008	7,665
1967	2,430	---	---	110,205	107,565	2,640
1968	16,686	---	---	107,551	104,753	2,798
1969	14,940	---	---	82,793	78,051	4,742
1970	16,587	---	---	78,339	74,703	3,636
1971	31,383	---	---	60,305	57,327	2,978
1972	12,348	---	---	63,759	60,840	2,919
1973	245	---	---	41,568	39,301	2,267
1974	10,728	---	---	38,464	36,416	2,048
1975	2,880	---	---	42,551	39,783	2,768
1976	1,512	---	---	45,398	43,450	1,948
1977	1,692	---	---	36,209	33,825	2,384
1978	5,702	---	---	27,874	25,980	1,894
1979	6,394	---	---	25,208	23,545	1,663
1980	6,192	---	---	24,126	21,850	2,276
1981	1,800	---	---	25,093	22,478	2,615
1982	1,204	---	---	22,380	20,534	1,846
1983	15,140	---	---	25,052	22,757	2,295
1984	2,880	---	---	17,620	15,311	2,309
1985	9,700	---	---	20,203	17,795	2,408
1986	2,900	---	---	17,505	15,991	1,514
1987	2,900	---	---	NA	NA	NA

1/ Beginning in 1968, USDA purchases were for dried egg mix. Proportions in the mix were 51 percent dried whole egg solids, 30 percent milk solids, 15 percent vegetable oil, 1 percent salt, and 3 percent moisture. 2/ Includes quantities transferred from USDA stocks for civilian feeding: 1948, 21 million pounds dried (63 million dozen); 1949, 703,000 pounds dried (2 million dozen). 3/ NA -- not available

The growing importance of the egg product subsector within the egg industry can be further illustrated by examining its share of total per capita egg consumption. In 1987, egg

product consumption (expressed on a shell equivalent basis) was 43.1 eggs per person, 17 percent of total egg consumption, and nearly double the 9 percent in 1960 (table 3).

Table 3. Egg product supply and utilization

Year	Begin- ing stocks	Produc- tion	Im- ports	Total supply	Ex- ports	Ship- ments	End- ing stocks	Consumption		Popu- lation
								Total	Per capita	
Thousand dozen shell equivalent								No.	Mil.	
1960	59,740	442,266	18	502,024	17,264	0	48,705	436,055	29.0	180.671
1961	48,705	482,093	119	530,917	17,018	0	46,587	467,312	30.5	183.691
1962	46,587	481,977	3	528,567	14,257	0	46,529	467,781	30.1	186.538
1963	46,529	445,723	4	492,256	15,426	0	42,038	434,792	27.6	189.242
1964	42,038	500,350	10	542,398	9,827	0	44,135	488,436	30.5	191.889
1965	44,135	477,443	97	521,675	8,051	0	38,767	474,857	29.3	194.303
1966	38,767	471,821	12,250	522,838	3,452	0	27,508	491,878	30.0	196.560
1967	27,508	608,726	3,284	639,518	2,052	0	67,948	569,518	34.4	198.712
1968	67,948	513,858	3,182	584,988	2,801	0	54,629	527,558	31.5	200.706
1969	54,629	486,241	7,422	548,292	1,330	0	32,400	514,562	30.5	202.677
1970	32,400	567,869	7,760	608,029	1,379	4,421	37,897	564,332	33.0	205.052
1971	37,897	642,137	4,844	684,878	2,255	3,987	56,099	622,537	36.0	207.661
1972	56,099	628,560	40	684,699	8,891	4,363	51,738	619,707	35.4	209.896
1973	51,738	547,232	28	598,998	8,930	2,554	32,803	554,711	31.4	211.909
1974	32,803	624,609	36	657,448	13,789	4,635	41,146	597,878	33.5	213.854
1975	41,146	553,147	99	594,392	12,795	3,329	27,536	550,732	30.6	215.973
1976	27,536	591,909	60	619,505	6,481	2,672	19,812	590,540	32.5	218.035
1977	19,812	686,344	48	706,204	18,625	5,172	22,524	659,883	36.0	220.239
1978	22,524	686,024	46	708,594	49,935	1,942	19,207	637,510	34.4	222.585
1979	19,207	701,287	96	720,590	35,814	2,689	17,737	664,350	35.4	225.055
1980	17,737	728,747	93	746,577	63,841	1,605	18,438	662,693	34.9	227.757
1981	18,438	731,662	214	750,314	114,151	2,521	16,432	617,210	32.2	230.138
1982	16,432	732,707	171	749,310	71,754	2,065	19,306	656,185	33.9	232.520
1983	19,306	731,921	1,187	752,414	56,676	1,421	8,945	685,372	35.0	234.799
1984	8,945	768,927	3,512	781,384	32,443	3,709	10,169	735,063	37.2	237.001
1985	10,169	812,608	4,121	826,898	43,535	1,433	10,008	771,922	38.7	239.283
1986	10,008	857,441	2,713	870,162	75,659	1,146	9,752	783,605	38.9	241.596
1987	9,752	942,083	3,234	953,069	62,648	1,134	13,116	876,171	43.1	243.800

Beginning with this issue of the *Livestock and Poultry Situation and Outlook Report*, the table entitled "Shell eggs broken and egg products produced under Federal inspection" has been changed to better reflect the relative quantities of the three types of processed egg products being produced (liquid for immediate consumption, frozen, and dried). The data are similar in form to those reported in table 1 of this paper. Previously, the *Livestock and Poultry Situation and Outlook Report* had reported total liquid egg production. Since much of this production included amounts moving between plants for further processing (such as drying), the amount reported clearly overstated the relative importance of liquid egg in the product mix.

Product Form

Eggs used for breaking are nutritionally equivalent and generally of similar quality to eggs sold in the table egg market. Today a significant amount of shell egg production is designated for the egg products industry. Additionally, production not required by the table egg industry is processed by egg product firms. The bulk of shell eggs used by breakers is sold on racks or in 30-dozen cases and priced on the basis of 48 pounds net weight. They also may be sold in cases priced on a 51-pound basis.

The largest single source of breaking stock eggs is mostly nongraded. These typically come from older flocks and are usually not graded for one of two reasons: too large a proportion of the eggs would be jumbos and extra large, or the shell quality would be too poor for the table markets. Consumers prefer large eggs over other sizes, and this is reflected in requirements given to egg producers. With "too many" jumbo and extra large eggs, it does not make sense to grade them (additional cost, no appreciable benefit). Another reason for not sending the eggs produced by older flocks to graders is the relatively high proportion of expected undergrades due to shell irregularities.

Checks (cracked eggs with interior membranes intact) and undergrades (eggs which are small or have shell irregularities) also are sold to breakers. Requirements of the Egg Products Inspection Act provide that

checked eggs may be processed only at officially inspected egg products plants where these eggs can be satisfactorily handled and the resultant liquid pasteurized. Breaking stock is shipped in truckload loads of 750- to 800-case equivalents (10).

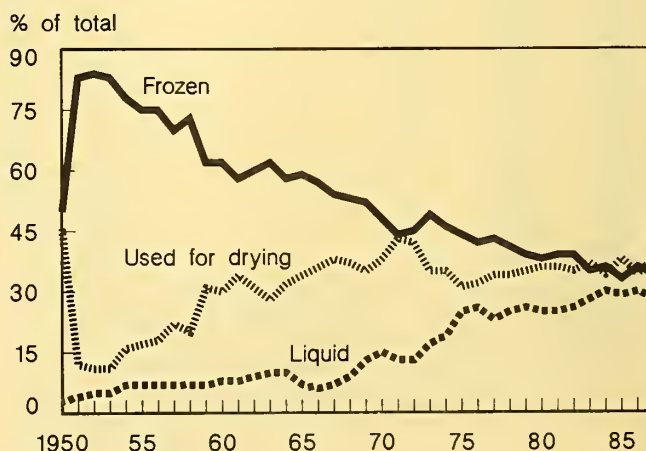
Breaking stock eggs are processed into several forms of egg products: whole, egg blends, yolks, and whites. Each of these products can be sold in liquid form for immediate consumption, frozen for later use, or dried.

Liquid forms can be transported in refrigerated tanker truck loads of 44,000 to 45,000 pounds and in small portable tanks of 1,500 to 2,000 pounds. Liquid and frozen products are generally sold in 30-pound cans and plastic containers. For businesses that typically place smaller orders, such as the HRI trade, consumer packs in 4- to 8-pound plastic milk-type cartons are available. Dried whole egg and yolk are generally packaged in 25- to 150-pound poly-lined cartons and drums while dried egg whites are typically shipped in 50-pound cartons or drums (10).

Pasteurized liquid egg products are used quickly because of their short shelf-life of approximately 10 days. Thus, frozen products serve as temporary storage as well as being convenient for delivery and storage to the HRI industry, which may not have refrigerated storage for liquid egg products, but does have freezer storage available. Dried egg products serve two functions: a much longer storage function and a different type of customer.

Figure 2

Processed Egg Product by Type



Liquid production from eggs broken.

The three major categories—liquid for immediate consumption, frozen, and dried—have moved towards equal shares in today's market. Figure 2 indicates the direction individual components of the egg product industry have moved. Frozen products declined from a high of 84 percent of the total market in 1952, to 34 percent in 1987. Liquid for immediate consumption increased from 3 percent to around 28–30 percent during the last 5 years. Dried moved from 12 percent in 1951 to around 33–36 percent during the last 5 years.

Egg products are used in manufacturing a number of different finished and semi-finished food products. Food items include pastas, cakes, cookies, meringues, frostings, and ice cream. Relatively small quantities of egg products are used in other non-food products such as shampoo, pharmaceuticals, leather tanning substances, and others. The HRI industry uses egg products in cooking.

Prices

Breaking stock eggs are bought on either a contract or spot market basis. Most egg breakers know prior to entering the market just what they can pay for each type of egg based on its yield (whether the egg is a check, undergrade, or in 48- or 51-pound net weight cases), and based on the value of its intended use. By employing the appropriate yield estimates (shell eggs to products), the processor knows how much he can pay for the breaker stock eggs.

USDA's Agricultural Marketing Service (AMS) reports three different spot market prices for breaking eggs. AMS reports prices for trailer load nest run breaking stock on a daily basis, in two categories: 48- and 51-pound net weight cases by region. The greatest portion of breaker eggs is sold as 48-pound minimum net weight per 30-dozen case. AMS initiated collection of these prices in February 1987.

In addition, there are two regional breaking stock market reports issued, daily for the Central States and weekly for the Southeast States. The Central States' report is the oldest and was first released in 1975 (10) and includes a price for undergrades. In the Southeast, prices are collected and reported

on a weekly basis for nest run, undergrades, and checks.

AMS also reports wholesale egg product prices for frozen and dried eggs. Wholesale prices are collected in Chicago, New York, Philadelphia, and San Francisco. Prices are collected for frozen whole eggs, blends, whites, and yolks (sugared and salted). Dried egg prices are collected in the New York market for whole eggs, yolks, albumen (spray dried), and blends.

As would be expected, the price of shell Grade A large eggs is a fairly strong indicator of egg product prices. Breaking stock eggs are priced using a number of different methods. Among these is a 3-day average of the breaking stock quote or a certain amount under the Urner Barry Grade A large quote. Figure 3 compares the New York Grade A (in cents per dozen) price with the New York and Philadelphia frozen whole egg price (expressed on a dozen shell-egg equivalent basis). The frozen egg price moved in the same direction as the shell price over the entire period from 1960 to 1987. The ratios of the frozen egg to shell egg price (figure 4) were also studied. There was very little fluctuation in the series, which reflects the relatively similar dispersions of each price series (using the coefficient of variation computed as the standard deviation divided by the mean). The remaining difference probably reflects frozen egg demand differentials. Table 4 presents wholesale egg product price data for 1960–87.

Figure 3
Wholesale Egg Prices, New York

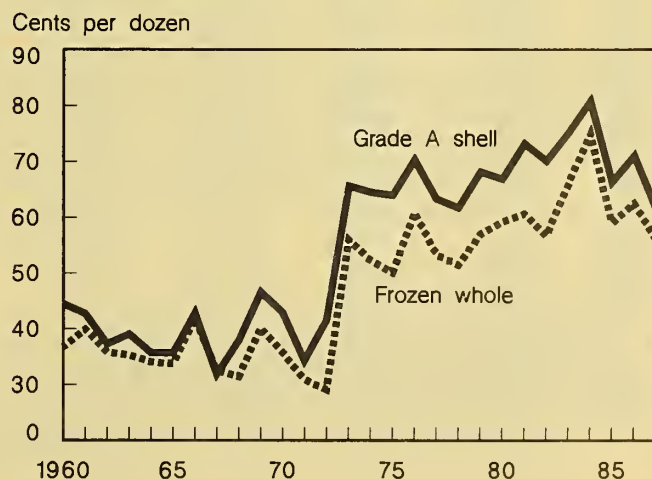


Figure 4

Ratio of Frozen Egg Product Price to Wholesale Grade A Shell Egg Price

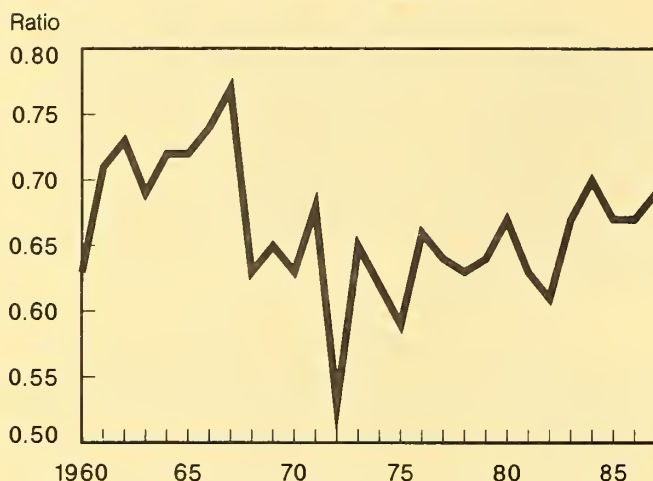


Table 4. Wholesale egg prices: fresh, frozen, and dried

Year	Shell 1/	Frozen 2/		Dried whole 3/
		Whole	Whites	
	Cents/doz.	Cents/lb.		\$/Lb.
1960	44.47	27.93	8.77	1.30
1961	42.75	30.35	9.84	1.17
1962	37.32	27.20	12.10	1.06
1963	39.10	26.80	15.40	1.09
1964	35.73	25.90	15.22	1.04
1965	35.69	25.66	14.00	1.05
1966	42.90	31.80	14.97	1.31
1967	31.89	24.68	11.53	1.05
1968	37.97	23.88	13.47	.99
1969	46.64	30.52	19.62	1.26
1970	42.97	27.18	17.84	1.20
1971	34.36	23.49	12.45	1.00
1972	41.61	22.15	11.11	.94
1973	65.63	42.52	21.15	1.73
1974	64.49	39.72	17.84	1.64
1975	63.93	38.04	20.15	1.52
1976	70.33	46.20	27.25	1.87
1977	63.27	40.66	28.75	1.66
1978	61.68	39.07	29.67	1.55
1979	68.15	43.29	33.20	1.74
1980	66.86	44.96	26.62	1.79
1981	73.21	46.03	25.71	1.92
1982	70.10	43.03	20.45	1.75
1983	75.16	50.14	21.78	1.95
1984	80.87	56.97	22.07	2.15
1985	66.36	44.78	24.30	1.78
1986	71.09	47.49	37.26	1.70
1987	61.60	42.60	31.30	1.53

1/ New York price to retailers for Grade A large. 2/ New York and Philadelphia, 30 # containers, trucklot loads. 3/ Carton or drum.

Regional Distribution of Processed Egg Production

Since the mid-1950's, the distribution of processed egg production has changed dramatically from region to region (North Atlantic, North Central, South Atlantic, South Central, and West). In 1955, the North Central region accounted for over 90 percent of total domestic processed egg production. Although it clearly remains the most important producing region, its relative position fell steadily (and sharply) from 1955 to 1974 (91.4 percent of total U.S. processed egg output in 1955 to 42.6 percent in 1974). During 1974-87, this region's share increased to 52.5 percent of the total (table 5).

During 1955-87, the North Atlantic region expanded its share of total U.S. processed egg production from 1.6 percent to 18.8. The three remaining regions, South Atlantic, South Central, and West, have exhibited broadly consistent patterns of change in their respective shares. Each of their shares ranged from 1.9 to 2.6 percent in 1955, with their relative importance expanding through the middle to late 1970's. Following the period of expansion, these regions have undergone relative declines over the most recent 10-year period.

One important factor in the choice of geographical location for an egg product processing facility is the availability of shell eggs for breaking. Therefore, regional shell egg production during 1955-87 was compared with changes in regional egg product output. The North Central region is currently the largest producer of shell eggs, with 29.4 percent of the total (a significant decline from 47.6 percent in 1955). Production of shell eggs in the North Atlantic region has declined slowly over the period. The South Atlantic, South Central, and West regions all exhibited growth in shell egg production during 1955-87 (table 6).

To examine how changes in the location of shell egg production affected the location of processed egg production, processing as a percent of total egg production was computed for the five regions during 1960-87. These data, along with total U.S. percentages, are presented in table 7. Over this 28-year period, the proportion of U.S. shell egg production that was processed nearly doubled,

Table 5. Processed egg production by region, 1955-1985

Year	North Atlantic	North Central	South Atlantic	South Central	West	Total U.S.
----- Thousands of shell egg cases -----						
1955	183	10,435	285	297	217	11,417
1956	202	10,199	280	303	224	11,208
1957	234	11,744	350	389	259	12,976
1958	224	11,241	375	375	275	12,490
1959	295	14,735	493	493	412	16,428
1960	253	12,492	423	423	493	14,084
1961	274	13,141	609	609	594	15,227
1962	280	13,039	777	777	669	15,542
1963	264	11,876	881	881	778	14,680
1964	395	12,938	1,021	1,070	1,037	16,461
1965	469	11,630	1,297	1,094	1,141	15,631
1966	594	12,070	1,610	1,356	1,322	16,952
1967	677	13,465	2,030	1,740	1,605	19,517
1968	838	11,507	2,120	1,781	1,567	17,813
1969	1,219	10,569	2,003	1,916	1,706	17,413
1970	1,576	11,066	2,056	2,498	2,017	19,213
1971	2,335	11,099	2,038	3,056	2,696	21,224
1972	2,659	9,733	2,407	3,182	2,952	20,933
1973	2,317	8,482	2,098	2,772	2,572	18,241
1974	3,291	8,936	2,660	2,762	3,325	20,974
1975	2,705	7,845	2,022	2,574	3,201	18,347
1976	2,573	8,820	2,456	2,910	3,012	19,771
1977	3,179	10,354	2,452	3,364	3,502	22,851
1978	3,348	10,237	2,329	3,655	3,355	22,924
1979	3,645	10,178	2,431	3,726	3,372	23,353
1980	3,268	11,128	2,486	3,744	3,604	24,230
1981	3,703	11,434	2,190	3,281	3,754	24,363
1982	3,919	11,489	2,279	3,110	3,682	24,478
1983	4,650	11,913	2,085	2,240	3,508	24,397
1984	5,252	12,263	2,085	2,295	3,737	25,631
1985	5,396	13,690	2,427	1,911	3,664	27,087
1986	5,957	14,364	2,382	2,192	3,686	28,581
1987	5,902	16,452	2,373	2,723	3,886	31,336

increasing from 8.2 percent to 16.2. The region that exhibited the strongest growth was the North Atlantic, with egg products taking 0.9 percent of total egg production in 1960, but 22.5 percent by 1987. The North Central region found a higher rate of processing, as egg product output rose while shell egg production fell.

Industry Structure

Egg breaking plants have become larger in scale and fewer in number. In 1958, there were 181 breaking plants that produced 481 million pounds of liquid eggs (11). In 1987, 91 plants produced 1,241 million pounds. This represents a 160-percent increase in production over 30 years by approximately half the number of plants. On average, the plants were five times as large in 1987 as they were in 1958 (4).

Production appears to be more concentrated in 1988 than in the 1960's. Even though there are not good comparison data for concentration ratios in the past, there is one study that indicates concentration in the middle 1960s. This study, published in 1966, indicated that the four largest liquid and frozen egg processing firms accounted for 25 percent of total production, and the 10 largest for 46 percent. Dried egg processing was much more concentrated, as the largest four firms accounted for 58 percent of total output, and the largest 10 accounted for 90 percent (5).

According to data collected by the AMS and covering the first 5 months of fiscal 1988, the industry had the following concentration ratios (where CR4 is defined as the percent of industry output controlled by the top four firms) for eggs broken: CR4, 39 percent;

Table 6. Egg production by region, 1960-1985

Year	North Atlantic	North Central	South Atlantic	South Central	West	Total U.S.
Thousands of Cases						
1960	27,508	71,975	22,456	24,414	23,994	171,117
1961	27,339	69,931	23,917	26,450	25,322	173,397
1962	27,036	68,386	25,656	28,439	26,606	176,581
1963	27,292	63,053	28,336	30,186	27,033	176,389
1964	27,639	61,531	30,283	32,961	28,203	181,153
1965	27,714	59,600	31,425	34,322	28,496	182,111
1966	26,961	56,944	33,708	36,522	29,217	183,903
1967	27,014	57,436	36,636	40,106	30,813	192,575
1968	26,297	53,225	37,106	40,619	31,485	189,322
1969	26,367	49,447	39,411	39,953	31,878	187,628
1970	26,176	50,308	39,592	40,411	32,428	189,478
1971	26,157	52,853	40,856	39,686	33,319	193,469
1972	25,516	52,772	40,736	40,303	32,361	192,275
1973	24,803	50,267	39,878	38,169	29,726	183,442
1974	24,307	47,742	40,258	37,203	32,172	182,278
1975	26,013	45,161	38,100	36,575	32,419	178,864
1976	23,588	46,136	38,781	37,197	32,874	179,197
1977	24,055	45,158	38,908	38,472	32,227	179,444
1978	25,564	46,697	40,519	39,997	33,105	186,500
1979	26,420	46,717	43,269	41,133	34,054	192,247
1980	27,208	47,214	41,967	41,869	34,687	193,572
1981	26,836	49,369	41,906	41,144	34,070	193,958
1982	26,556	51,575	41,636	39,500	33,778	193,628
1983	26,989	51,253	39,819	37,528	33,174	189,358
1984	25,867	52,853	39,456	36,747	33,985	189,528
1985	27,481	53,983	38,197	36,761	32,956	190,019
1986	27,114	54,081	38,731	36,975	32,430	189,994
1987	26,208	56,767	38,931	37,294	33,196	193,033

Table 7. Processing as a percent of total egg production

Year	North Atlantic	North Central	South Atlantic	South Central	West	Total U.S.
Percent						
1960	0.9	17.4	1.9	1.7	2.1	8.2
1961	1.0	18.8	2.5	2.3	2.3	8.8
1962	1.0	19.1	3.0	2.7	2.5	8.8
1963	1.0	18.8	3.1	2.9	2.9	8.3
1964	1.4	21.0	3.4	3.2	3.7	9.1
1965	1.7	19.5	4.1	3.2	4.0	8.6
1966	2.2	21.2	4.8	3.7	4.5	9.2
1967	2.5	23.4	5.5	4.3	5.2	10.1
1968	3.2	21.6	5.7	4.4	5.0	9.4
1969	4.6	21.4	5.1	4.8	5.4	9.3
1970	6.0	22.0	5.2	6.2	6.2	10.1
1971	8.9	21.0	5.0	7.7	8.1	11.0
1972	10.4	18.4	5.9	7.9	9.1	10.9
1973	9.3	16.9	5.3	7.3	8.7	9.9
1974	13.5	18.7	6.6	7.4	10.3	11.5
1975	10.4	17.4	5.3	7.0	9.9	10.3
1976	10.9	19.1	6.3	7.8	9.2	11.0
1977	13.2	22.9	6.3	8.7	10.9	12.7
1978	13.1	21.9	5.7	9.1	10.1	12.3
1979	13.8	21.8	5.6	9.1	9.9	12.1
1980	12.0	23.6	5.9	8.9	10.4	12.5
1981	13.8	23.2	5.2	8.0	11.0	12.6
1982	14.8	22.3	5.5	7.9	10.9	12.6
1983	17.2	23.2	5.2	6.0	10.6	12.9
1984	20.3	23.2	5.3	6.2	11.0	13.5
1985	19.6	25.4	6.4	5.2	11.1	14.3
1986	22.0	26.6	6.2	5.9	11.4	15.0
1987	22.5	29.0	6.1	7.3	11.7	16.2

CR10, 60 percent; CR12, 66 percent. Thus, the data indicate that the degree of horizontal integration has increased. No current information is available for the concentration ratios of firms producing dried eggs.

In addition to these rough concentration ratios, the AMS has kept information on the egg product firms using its inspection services. The number of these in each area is shown in table 8. The number of firms processing eggs dropped from 153 in 1973 to 91 in 1987. Those producing dried eggs or egg products dropped from 21 in 1971 to 15 in 1987.

There was also some evidence of vertical integration in the industry, although it does not appear that any firm has fully integrated all functions from shell egg production to the production of the final product in the food or other manufacturing industries. Yet, some egg product processors did produce a portion of their own shell egg breaking stock, and some final users (for example, Kraft and Sara Lee) are buying shell eggs and producing their own egg products (4). [The use of the firms' names doesn't imply an endorsement of their products by the U.S. Department of Agriculture.]

Table 8. Egg product plants operating under the mandatory AMS inspection system.

Year	Egg products without drying	Egg products and dried eggs	Other 1/	Total
Number of Plants				
1971	76	21	40	137
1972	83	12	55	150
1973	84	16	53	153
1974	82	15	51	148
1975	81	15	49	145
1976	NA	NA	NA	NA
1977	72	19	47	138
1978	75	19	49	143
1979	NA	NA	NA	NA
1980	66	19	35	120
1981	67	19	36	122
1982	64	19	33	116
1983	64	19	28	111
1984	63	17	30	110
1985	59	19	25	103
1986	57	15	24	96
1987 2/	52	15	24	91

1/ A combination of grading and/or inspection services other than the others listed.

2/ Preliminary estimate.

Estimating Eggs Broken and Products Processed

Data used in analyzing the egg products market are available from USDA's Egg Products report and other statistical bulletins (1, 6). Annual data sets of processed egg production estimates are presented in table 1. Three characteristics of these data should be immediately noted. Prior to July 1, 1971, egg products were not subject to mandatory inspection by the USDA. After this date, mandatory egg product inspection came under AMS jurisdiction. (Before July 1, 1971, AMS conducted a voluntary program for the inspection of egg products.) Thus, no direct comparisons of the data prior to this date can be made with data in the later period.

Secondly, monthly data were derived from data that were reported on roughly 4-week intervals from July 1, 1971, to September 30, 1982. For periods that span two different months, daily rates were determined assuming constant intra-period production rates and the figures for each month were calculated by distributing the data across the appropriate months. For annual data, the monthly data were then summed.

Lastly, for data prior to 1960, the number of eggs broken was not reported. To obtain the number of eggs broken, total liquid production was divided by 1.317 (2).

Outlook

Growth in the egg products market will depend largely upon what happens to demand from current uses (food manufacturing industries and the HRI) and upon the development of new products. There are several new products that may further increase the demand for egg products in the coming years. Two of them are Simplese, a fat substitute that replaces fat with milk or egg protein but has the same taste as fat; and a nearly cholesterol-free egg produced by a mechanical process. [The USDA does not, in any way endorse the use of any particular name-brand product or its manufacturer.] Cholesterol is removed from the egg through a fluid extraction procedure using carbon dioxide. This process was recently developed at the University of Nebraska. The process removes 85 percent of the cholesterol in chicken egg yolks and does not adversely

affect the cooking or textural quality of the egg emulsion (3).

If these two new products are successfully marketed, and assuming the convenience food and restaurant trade continue to increase, the use of egg products could expand.

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245 THE IMPACT OF THE EXPORT ENHANCEMENT PROGRAM
ON U.S. POULTRY EXPORTS,

by Lawrence Witucki

Abstract: The Export Enhancement Program's (EEP) purpose is to promote U.S. farm exports, particularly in markets where competing exporters are subsidized. Exports are promoted under the program by offering bonuses to U.S. exporters in the form of CCC generic certificates sufficient to make the export sale viable. Under the poultry EEP, export sales began in 1986, and had a large impact on U.S. broiler and egg exports during 1987. EEP sales targets for 1988 are substantial but increases in 1988 EEP exports are likely to be more difficult due to intensified competition, and to increases in production in some target countries.

Keywords: Export Enhancement Program (EEP), broiler exports, egg exports, subsidies, bonuses, CCC, generic certificates, European Community.

The Export Enhancement Program (EEP) is a USDA program designed to help exporters of farm products meet prevailing world prices for targeted commodities and markets. Its main goal is to expand farm exports through market development. Other objectives are to challenge unfair international trade practices and to encourage serious negotiation on agricultural trade problems, particularly with the European Community (EC). USDA first announced the EEP in May 1985, with funding through the Commodity Credit Corporation Charter Act. The program was made mandatory from October 1, 1985, through fiscal 1988 by the Food Security Act of 1985. Initial funding under this act was for use of agricultural commodities equal in value to \$1.0-\$1.5 billion. Extension of the program beyond the expenditure of \$1.5 billion was announced on July 30, 1987. Funding authority for the extension is also provided through the Commodity Credit Corporation Charter Act.

Over 60 countries are eligible for the EEP. These are markets where U.S. commodity exporters must compete with subsidized suppliers from other countries, especially the EC. Guidelines in the establishment of EEP sales initiatives include the following: (1) the initiative should result in additional U.S. exports (2) only competitors who subsidize should be targeted, and (3) a net economic benefit should result without increased budgetary costs.

USDA announces each EEP initiative, including its terms and conditions, with invitations to exporters to submit bids for a CCC bonus. Export sales are made by interested, qualified, private U.S. firms and corporations who first come to a tentative agreement on terms such as price and quantity with buyers in the targeted country. Then the potential exporters place bids with USDA for a bonus that would make the sale viable, and permit the export to be carried out.

The CCC reviews bids in the following manner:

Before 3:00 p.m. of each business day, the General Sales Manager establishes an acceptable range of prices for sales contracts and of the CCC bonus values. If an offer is within the range established, it is accepted by the General Sales Manager provided the offer otherwise conforms to the requirements of the Announcement and Invitation.

In determining the acceptable dollar and cent value of the CCC bonus, the General Sales Manager takes into consideration factors such as the prevailing market price of eligible frozen poultry for export to the eligible country, the prevailing market value of frozen poultry exported by other exporting countries to the

eligible country, ocean freight rates for such exports, and the particular characteristics of preferences or purchasing practices of buyers in the eligible country which would customarily affect the acceptability of eligible frozen poultry relative to that of competing frozen poultry for export to the eligible country from other exporting countries.

The General Sales Manager only considers offers that provide for shipment from a U.S. port of no more than 6 months from the date an offer is submitted for consideration. The General Sales Manager will endeavor to issue a notice at least 3 business days in advance of the time when CCC will no longer consider offers.

After the commodity has been exported, the bonus is paid to the U.S. exporter in the form of a generic certificate with a stated dollar value. The exporter can redeem the certificate for a like value of a commodity (primarily grains) from the CCC stockpile. A certificate must be redeemed within 6 months. The bonus commodities are made available at one of the many CCC warehouses. The exporter may also sell or exchange the certificate rather than taking delivery of the commodity.

EEP for Poultry Meat

The first-announced EEP initiative on June 4, 1985, was for the sale of wheat to Algeria. The first poultry initiative came about 6 months later. It was announced on November 26, 1985, for the sale of 17.6 million pounds of frozen chicken meat to Egypt. As of mid-April 1988, 163.1 million pounds had been sold to Egypt under the EEP. Iraq is another large participant, with sales of 143.3 million pounds of poultry meat as of mid-April, and an additional 77.16 million pounds currently targeted to be sold. Smaller quantities of broilers have been sold under EEP, to the Canary Islands, the Dominican Republic, and Singapore (table 1).

U.S. broiler exports under EEP during 1986 and 1987 were about 249 million pounds, or 19 percent of total U.S. broiler exports during those 2 years. The average export unit value for U.S. broiler meat during 1987 was

\$1,038 per ton, or 47 cents per pound (down 1 percent from 1986), and the average bonus paid from inception through April 15, 1988, was \$660 per ton, or 30 cents per pound.

For 1988, newly targeted countries announced for EEP frozen chicken sales include Saudi Arabia, 44 million pounds, the Persian Gulf countries of Bahrain, Kuwait, Oman, Qatar, and the United Arab Emirates, 35.3 million pounds, and Zaire, 15.4 million pounds (table 2).

Chicken meat sales opportunities announced under EEP totaled 501.5 million pounds and actual sales totaled 329 million pounds through April 15, 1988. With an average bonus of about 30 cents per pound, the bonus value was approximately \$98.5 million, about 5 percent of the total bonus value paid to exporters of all EEP commodities. Sales of grains and products, particularly wheat, account for most of the program.

As table 2 shows, a relatively large amount of EEP-targeted chicken meat remains to be sold, most of it to Middle Eastern countries.

EEP for Eggs

Table eggs are also sold under the EEP. As of April 15, announcements of table egg sales opportunities totaled 34.67 million dozen, not including an initiative to Algeria which was withdrawn as Algerian self-sufficiency increased. Sales totaled 27.58 million dozen as of mid-April, and the total bonus value was \$9.26 million, an average of 34 cents per dozen. The average export unit value for all U.S. table egg exports during 1987 was 59.7 cents per dozen, down from 81.5 during 1986. Leading EEP markets were Iraq, purchasing 14.8 million dozen and Hong Kong, 7.77 million dozen. Actual exports under EEP during 1987 are estimated at 18 million dozen and accounted for about 60 percent of total U.S. table egg exports (table 3).

With the April 15 announcement of an opportunity to acquire a bonus by selling an additional 5 million dozen, the Near East became a main target for 1988 EEP egg sales. The countries involved are Bahrain, Kuwait, United Arab Emirates, Oman, Qatar, and the Yemen Arab Republic (table 4).

As of February, the major 1988 importers of U.S. table eggs were the EEP-targeted countries of Iraq with 4.3 million dozen imported, Hong Kong about 2 million dozen; and the United Arab Emirates, 1.1 million dozen. Oman, another EEP market, had imported 121,000 dozen or less than the non-EEP countries of Canada and Mexico.

Mixed poultry feed has also been sold under the EEP, with sales totaling 111,468 tons as of April 15, all to the Yemen Arab Republic. A further 225,032 tons are targeted for sale to Yemen. In December 1987, a bonus of \$85 per ton was offered for these exports.

Prospects

In 1987 U.S. broiler exports increased by nearly 33 percent over 1986. This growth was due to a combination of additional EEP sales, and to increases in non-EEP exports to countries such as Japan, Hong Kong, and the Caribbean. Exports under the EEP in 1987 accounted for about 73 percent of the increase in exports, and for about 26 percent of total broiler exports.

The EC responded to the EEP by raising subsidies on exports to the Middle East in the fall of 1987. In March 1988, the EC raised export subsidies again, by 20 to 32 percent, with the subsidies in some categories of chicken meat exceeding \$700 per ton or about 32 cents per pound. Almost all countries that the United States has targeted for EEP exports are now also covered by increased EC subsidies. Larger bonuses may be needed to remain competitive, especially since U.S. domestic broiler prices have recently strengthened, moving above a year earlier during some weeks.

While the EEP was used very successfully to expand U.S. poultry meat exports in 1987, indications are that market conditions may be less favorable in 1988. The increased EC subsidy for the Middle East and elsewhere will increase competition from the EC. Also, increased domestic production in Egypt and Iraq is likely to reduce their imports during 1988. The EC in March also increased export refunds on some types of eggs. For table eggs the subsidy was raised about 7 percent, to the equivalent of about 28 cents per dozen. The 1987 success of EEP in increasing egg exports may be difficult to duplicate in 1988.

Table 1--U.S. exports and sales of broiler meat under the EEP

Importers	Quantity	Average 1/ export unit value	EEP's share of all U.S. broiler exports
	1,000 lbs.	Cents/lb.	Percent
1986			
Egypt	55,166	39.3	100
Dominican Republic	1,289	46.1	57
Total EEP	56,455	--	10
1987			
Iraq	128,923	46.1	100
Egypt	55,851	36.3	100
Canary Is. of Spain	5,500	43.9	65
Dominican Republic	2,018	41.7	56
Singapore	265	46.7	0.5
Total EEP	192,557	--	26

1/ This covers total U.S. broiler exports, not just EEP.

Sources: U.S. Census data; Foreign Agricultural Service.

Table 2.--Current status and outlook for EEP broiler meat sales in 1988 1/

Importers	Sold for 1988 export	Invitations to submit offers announced, but sales not yet made
--1,000 lbs--		
Iraq	14,376	77,161
Egypt	52,124	0
Canary Is.	3,318	2,205
Dominican Republic	0	4,409
Singapore	357	3,787
Saudi Arabia	1,102	42,990
Persian Gulf countries 2/	8,776	26,497
Zaire 3/	0	15,432
Total	80,054	172,481

1/ As of April 15, 1988. 2/ Includes Bahrain, Kuwait, Oman, Qatar, and the United Arab Emirates. 3/ Mature chicken meat.

Source: Foreign Agricultural Service.

Table 3.--U.S. table egg exports under the EEP in 1987

Importers	Quality	Average 1/ export unit value	EEP's share of all U.S. egg exports	
			Table eggs	All eggs 3/
	1,000 dozen	Cents/dozen	Percent	
Iraq	12,650	50	100	100
Hong Kong	4,000 2/	60	42	39
Dominican Republic	764	52	100	40
Near East				
United Arab Emirates	611	57	100	100
Oman	15	82	100	100
Total EEP	18,040	--	61	16

1/ This covers all U.S. table egg exports, not just EEP. 2/ Estimate. 3/ Includes shell equivalent of egg products.

Sources: U.S. Census data; Foreign Agricultural Service.

Table 4.--Current Status of EEP table egg sales 1/

Importers	Sold for 1988 export	Invitations to submit offers, but sales not yet made
- 1,000 dozen -		
Iraq	2,171	929
Hong Kong	3,667	0
Dominican Republic	161	1,158
Near East	3,541	5,000
Total	9,540	7,087

1/ As of April 15, 1988. U.S. egg sales under EEP starting in late 1986 through 1987 totaled 27,580,000 dozen, and 7,087,000 dozen remain to be sold under programs initiated as of mid-April, 1988.

Source: Foreign Agricultural Service.

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